

FACING CHALLENGES, CREATING OPPORTUNITIES

2020

Annual Report

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ANNUAL REPORT **2020**

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 credit as reflected in the slower performance of credit 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.

— Theme Continuity

2015

LOCALLY ROOTED GLOBALLY CONNECTED

As a Bank that deep-entrenched to the East Java community, Bank Jatim continues to commence business operation by always implementing good corporate governance principle, a harmonious partnership with stakeholders as well as preserving customer's trust. As time goes by, Bank Jatim continuously evolves and increases innovation amidst fierce competition.

2016

SUPPORT THE GROWTH ACROSS OUR MARKETS & EMPOWERING NEW POTENTIAL BUSINESS

Various strategic programs have been designed to achieve our goal, including service improvement and optimization either directly engage with the customers by products diversification serving all layer of the society with various banking needs or upgrading electronic channel to increase Level of Service (LoS), Bank Jatim also accomplished business development and Human Capital Management improvement to be reliable and professional personnel.



2017

SEIZING OPPORTUNITIES ELEVATING VALUES TO SUSTAIN EXCELLENT PERFORMANCE

Due to both internal and external challenges, Bank Jatim as a trusted bank of East Java Community accomplished a precise strategy in dealing with increasingly fierce competition through improving competitive and operational excellence. The implementation of various sustainability developments and new opportunities and added value will continue to take place in the Company. To support undertaken effort in exploring opportunities, the company has strengthened the capacity of the organization through effectiveness and efficiency of performance. It is expected the capability of the Company to set a strategy in reaching various opportunities will lead to an increase the company's value in all aspects to improve stakeholders performance and added value to East Java economy.

2018

MAXIMIZING PERFORMANCE, ENHANCES SUSTAINABILITY SYNERGY TOWARDS DIGITAL TRANSFORMATION

Bank Jatim as a highly trusted and pride of East Java has succeeded to continue in improving the achievement and growth relay through a focus on strengthening strategy, efficiency, and good loans distribution. Those growths are strongly affirmed that Bank Jatim is a strategic partner for the community and companies in driving business growth. Therefore, the company will always strengthen the sustainable synergy that is supported by all parties for future successful growth for the development of the East Java Community. Moreover, to support undertaken effort to dig new opportunities, the company has strengthened the carrying capacity of the organization by maximizing performance with existing resources and preparing itself to Digital Transformation in all aspects.

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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Company Profile

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06 Information Technology

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— Overview of The Company

PRODUCTS AND SERVICES



Deposit Products



Consumer Credit Products



Medium and Corporate Loans



Micro, Retail and Program Credits



Treasury Products



Business Services



Institutional Services



Sharia Financing Products



Sharia Fund Products and Services



E-Channel and Other Services

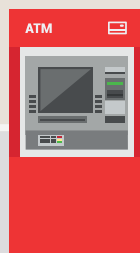
TOTAL ASSET
IDR 83.62
 Trillion



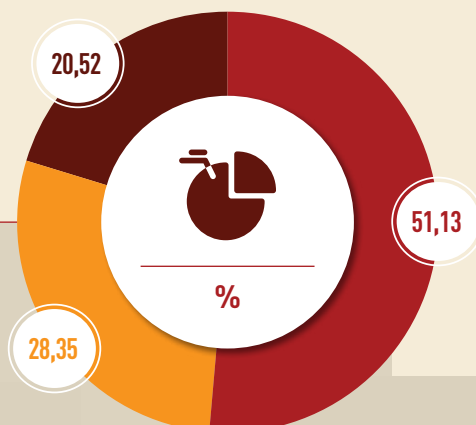
bankjatim



JALAN BASUKI RAHMAT
SURABAYA, JAWA TIMUR, INDONESIA



SHARE OWNERSHIP



- EAST JAVA PROVINCIAL GOVERNMENT (51,13%)
- 38 DISTRICT/CITY GOVERNMENT (28,35%)
- SOCIETY (20,52%)



BUSINESS FIELDS
Finance



DATE OF ESTABLISHMENT
August 17, 1961

Milestones

1961-2007

1961

Establishment of PT Bank Pembangunan Daerah Jawa Timur.

1976

Change of status into Regional-Owned Enterprise.

2012-2015

2012

Initial Public Offering on July 12, 2012.

2014

Establishment of 44 Micro Business Units.

2016-2018

2016

- Launching of Program Loan Agreement
- Launching of Mobile Bank Jatim
- Launching of Sipandai Product

2019-2020

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 Credit 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

1990

Status upgrade to Foreign Exchange Bank.

1999

Change of status from Regional-Owned Enterprise (BUMD) to Perseroan Terbatas (Limited Company).

2007

Establishment of Sharia Business Unit of Bank Jatim.

2015

- Launching of Jatim Priority (Premium Service for Priority Customers) product, Simpanan Pelajar (Simpel) Saving Product, SiUMI Saving & Loan product (SiUMI Program is dedicated for Micro and Small Entrepreneurs), and Siklus Nelayan Saving Product.
- Bank Jatim and Indonesian Regional Government Rural Banks Association (Perbamide) agreed to sign a Memorandum of Understanding (MoU) related to the Linkage Program facility to Rural Banks (BPR).

2017

- Opening of Batam Branch;
- Launching of New Products, including:
 - Yuan Remittance
 - Giro Plus
 - Jatim Indag Card
 - Smile Premium Link
 - Jempol Link (Bancassurance in cooperation with PT Asuransi Jiwa Sinarmas MSIG Life).

2018

- Launching of Smart ID Card program for Civil State Apparatus together with Sumenep Regency Government
- Launching of Revolving Fund Loans (Hulu Hilir Agromaritim Loans for Maritime and Fisheries Sector)
- Launching of Remittance Transaction
- Launching of Virtual Account

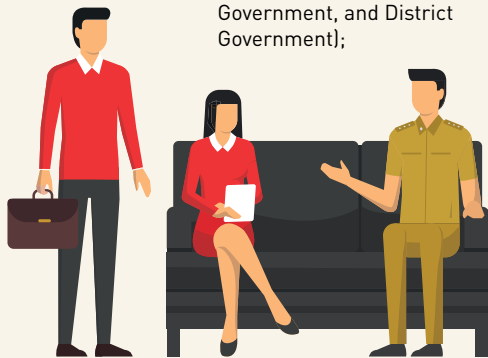
2020

- Launching Jatim Code QRIS (Quick Response Code Indonesian Standard) sebagai pengembangan fitur pembayaran Mobile Banking;
- Launching produk pemberian kredit kepada BUMDES (Badan Usaha Milik Desa) yang merupakan satu kesatuan dengan Kredit Jatim Mikro;
- Bank Jatim raih berbagai penghargaan, diantaranya Top of The Top BUMD 2020 dan The Most Profitable Regional Bank.

— Our Best Contribution

The excellences of Bank Jatim

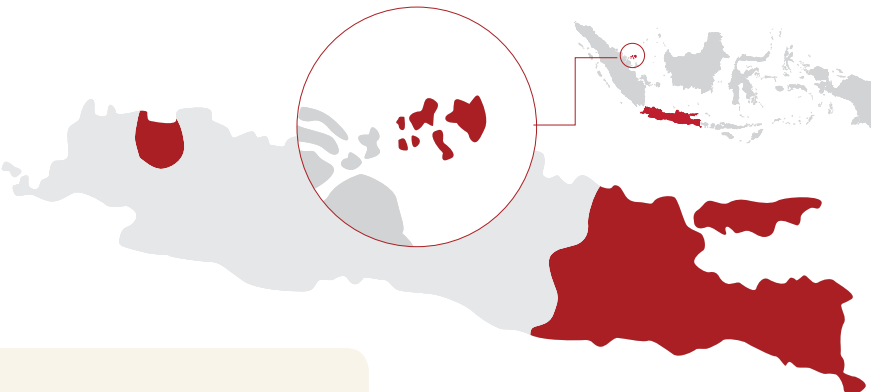
- 1 Full support from shareholders (Provincial Government, City Government, and District Government);



- 2 Resilience and capital adequacy (CAR) are relatively high;

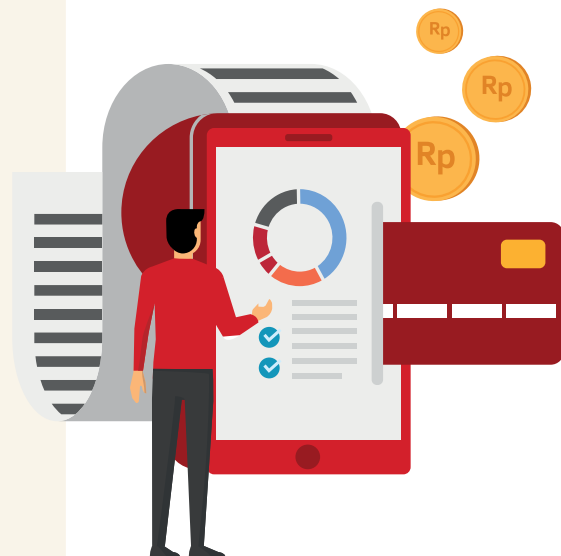


- 3 Bank Jatim network coverage, which is spread across all sub-districts in East Java Province, including the archipelago areas of DKI Jakarta Province, Batam City, and Riau Islands Province;



- 4 Synergy with the East Java Provincial Government through programs that are aligned with the Nawa Bhakti Satya Program, including:

- Implementation of the KEJAR program (One Student One Account) in order to support the Smart & Healthy East Java Program
- Lending in order to support the Jatim Berdaya Program
- Agricultural sector credit distribution in order to support the East Java Agro Program;
- Distribution of Micro East Java credit to MSMEs in order to support the Jatim Sejahtera Program;
- Distribution of Micro East Java credit to environmentally friendly industries / businesses and supporting costs in order to support the East Java Harmoni Program;
- Participate in national strategic projects through financing for the construction of toll road projects in order to support the East Java Harmoni Program;
- Electronification of Government Expenditures through the implementation of SP2D Online, e-KD, etc. in order to support the Jatim Amanah Program;
- Support the implementation of coaching clinic, business matching, etc. at trade mission events in order to support the East Java Work Program;





- 6 Bank Jatim also supports the implementation of the National Economic Recovery Program (PEN) in order to encourage economic recovery affected by COVID 19 through the implementation of credit restructuring in accordance with POJK Number 11 / POJK.03 / 2020 and the distribution of National Economic Recovery (PEN) funds placed by the Government in Bank Jatim;



- 7 Bank Jatim supports the efforts to break the chain of the spread of COVID 19 by providing hand washing stations, PCR laboratory cars, and implementing health protocols for all employees and customers.

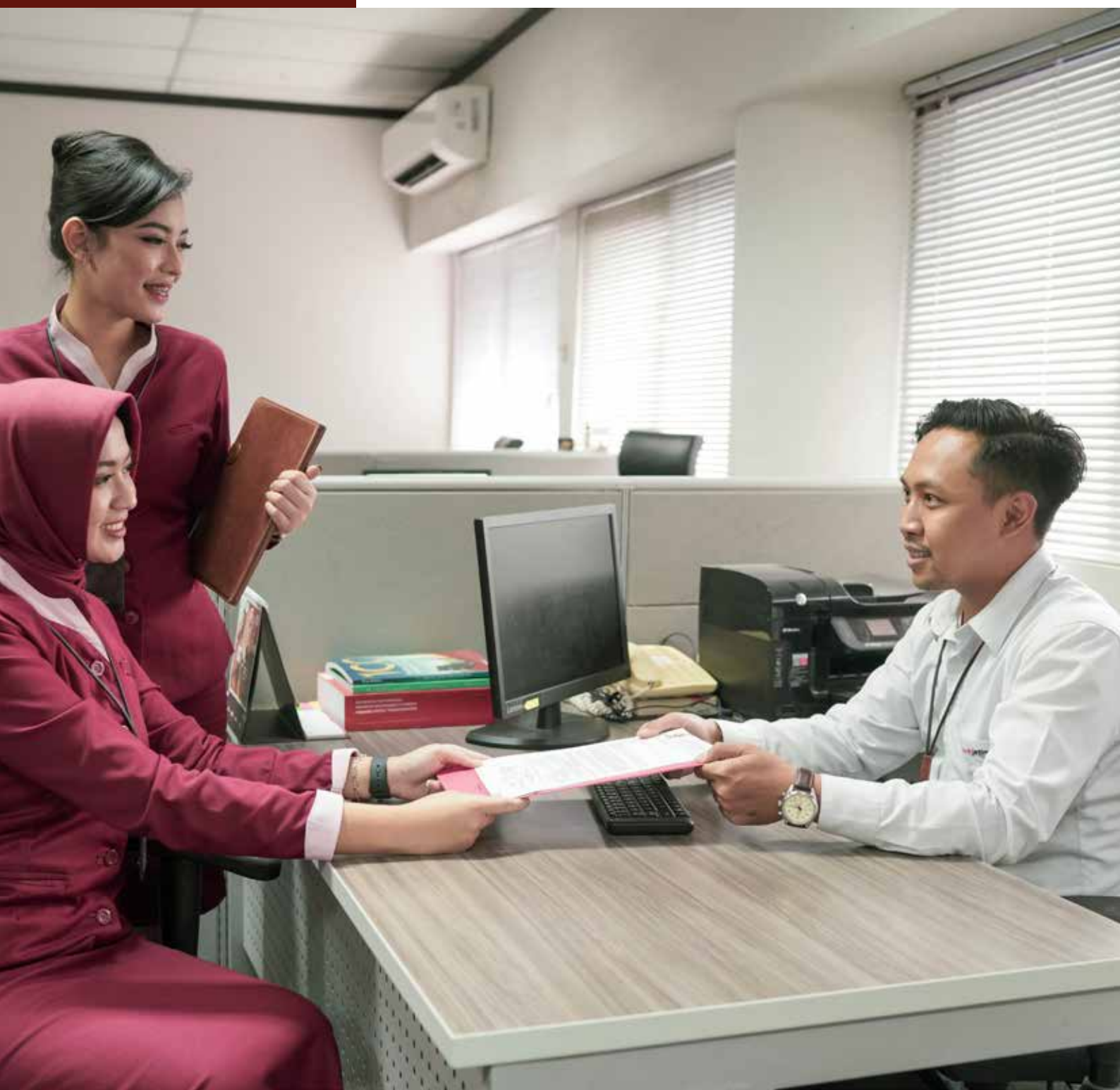


Performance Highlights



In the midst of challenging conditions, Bank Jatim continued to get good performance, which was evident from the increase in revenue, profit, lending and third party funds.





— Important Achievements 2020

bankjatim



**TOTAL ASSET IN 2020
INCREASED**



**EQUITAS
IN 2020 INCREASED**



**CURRENT YEAR PROFIT
IN 2020 INCREASED**



IDR 83.62
trillion

or

8.94%

compared 2019

IDR 10.00
trillion

or

10.90%

compared 2019

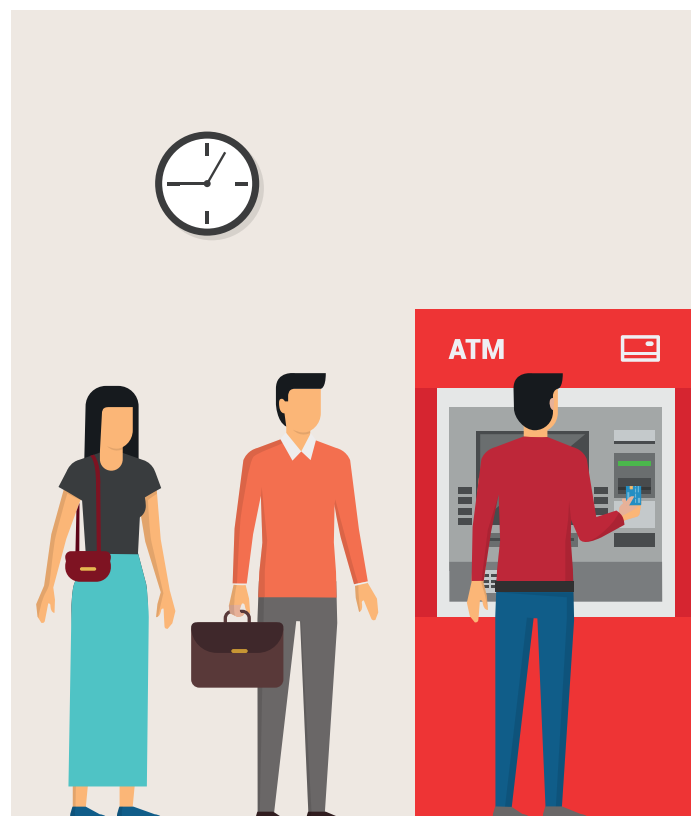


IDR 1.49
trillion

or

8.17%

compared 2019



**MEDIUM CREDIT
CORPORATIONS AND
SYNDICATIONS IN 2020
INCREASED**

IDR9.95
trillion

or

11.90%

compared 2019



**CONSUMER CREDIT
IN 2020 INCREASED**

IDR25.95
trillion

or

5.24%

compared 2019



**MICRO, RETAIL
CREDITS AND
PROGRAMS IN 2020
INCREASED**

IDR4.17
trillion

or

16.61%

compared 2019



**SHARIA FINANCING
IN 2020 INCREASED**

IDR1.61
trillion

or

14.66%

compared 2019

Summary of Significant Financial Data

Financial Summary and Financial Ratios

Financial Highlights Table

(in million Rupiah)

DESCRIPTION	2020	2019	2018	2017	2016
STATEMENT OF FINANCIAL POSITION					
ASSET					
Cash	2,511,548	2,729,776	1,913,960	1,673,588	1,709,884
Current accounts with Bank Indonesia	3,659,968	5,734,527	4,075,938	3,617,670	2,504,680
Current accounts with other banks	237,715	111,479	97,287	66,811	85,694
Provision for impairment losses	(53)	(25)	(15)	-	-
Current accounts with other banks, net	237,662	111,454	97,272	-	-
Placements with Bank Indonesia and other banks	6,884,658	11,989,584	13,349,542	8,945,755	4,945,925
Allowance for impairment losses	(795)	(2,357)	(2,302)	-	-
Placements with Bank Indonesia and other banks, net	6,883,863	11,987,227	13,347,240	-	-
Securities	14,666,737	9,568,245	7,791,958	4,742,414	3,528,397
Allowance for impairment losses	(8,118)	(5,174)	(513)	-	-
Marketable securities, net	14,658,619	9,563,071	7,791,445	-	-
Securities sold under a repurchase agreement	-	1,038,432	566,891	-	-
Receivable from marketable securities purchased under resale agreement	12,573,044	5,837,520	-	-	-
Other bills	131,932	81,265	34,069	40,527	65,754
Loans					
- Related parties	285,595	320,896	240,632	189,025	108,621
- Third parties	41,195,171	38,031,404	33,652,605	31,565,388	29,566,801
Number of credits granted	41,480,766	38,352,300	33,893,237	31,754,413	29,675,422
Provision for impairment losses	(1,454,721)	(980,134)	(1,198,550)	(1,394,006)	(1,322,355)
Loans granted, net	40,026,045	37,372,166	32,694,687	30,360,407	28,353,067
Interest income will still be received	555,020	416,420	373,341	316,640	327,840
Prepaid expenses	227,932	285,522	308,418	330,285	365,593
Fixed assets					
Acquisition cost	1,882,572	1,595,455	1,501,050	1,425,101	1,280,703
Accumulated depreciation	(676,592)	(572,026)	(528,993)	(481,488)	(423,283)
Net book value	1,205,980	1,023,429	972,057	943,613	857,420
Deferred tax asset, net	591,676	522,638	467,788	438,805	201,840
Tax receivables	65	-	-	-	-
Other assets, net	356,098	52,866	46,012	42,166	86,856
Total Assets	83,619,452	76,756,313	62,689,118	51,518,681	43,032,950
LIABILITY AND EQUITY					
LIABILITIES					
Liability immediately	484,384	357,565	514,585	410,627	322,798
Deposits from customers					
- Related parties	14,375,132	14,940,917	14,947,056	8,118,670	4,834,579
- Third parties	54,093,148	45,604,955	35,968,875	31,726,438	27,964,078
Total deposits from customers	68,468,280	60,545,872	50,915,931	39,845,108	32,798,657
Deposits from other banks					

DESCRIPTION	2020	2019	2018	2017	2016
- Related parties	238,860	137,819	100,108	182,038	151,681
- Third parties	2,616,744	2,750,611	635,000	1,266,923	1,066,504
Amount of deposits from other banks	2,855,604	2,888,430	735,108	1,448,961	1,218,185
Securities liabilities sold under repurchase agreements	-	1,037,094	566,699	-	-
Loans received	631,355	1,870,246	725,563	1,296,878	972,799
Tax debt	93,135	63,766	149,441	151,000	93,025
Accrued expenses	484,666	433,507	398,536	363,019	314,493
Other liabilities	596,630	538,275	211,319	187,014	103,421
Total Liabilities	73,614,504	67,734,755	54,217,182	43,702,607	35,823,378
EQUITY					
Capital stock:					
- Series A: nominal value of Rp250 (full amount) per share					
- Series B: nominal value of Rp250 (full amount) per share					
Authorized capital:					
- Series A: 24,000,000,000 shares					
- Series B: 12,000,000,000 shares					
Issued and fully deposited capital:					
- Series A - 11,934,147,982 shares					
- Series B - 3,068,222,600 shares	3,753.875	3,750,593	3,744,534	3,743,648	3,736,264
Fixed asset revaluation surplus	754.382	748,183	673,944	629,231	516,246
Remeasurement of defined employee benefit liability - net of deferred tax	(197.081)	(276,061)	(44,575)	(53,976)	(1,209)
Unrealized gain financial assets measured at fair value through wajar melalui penghasilan komprehensif other comprehensive income - net of deferred tax	125.753	20	-	-	-
Additional paid-in capital - net	532.734	528,753	520,603	519,663	514,843
Retain earning					
General backup	3,546.323	2,893,565	2,317,122	1,818,138	1,415,212
Its use has not been determined	1,488.962	1,376,505	1,260,308	1,159,370	1,028,216
Total Equity	10,004,948	9,021,558	8,471,936	7,816,074	7,209,572
Total Liabilities and Equity	83,619,452	76,756,313	62,689,118	51,518,681	43,032,950
STATEMENT OF INCOME AND LOSS AND OTHER COMPREHENSIVE INCOME					
INTEREST AND SHARIA INCOME	6,088,742	5,839,016	5,200,739	4,889,674	4,904,378
INTEREST AND SHARIA EXPENSES	(2,031,472)	(1,839,415)	(1,512,632)	(1,404,762)	(1,446,372)
INTEREST AND SHARIA INCOME, NET	4,057,270	3,999,601	3,688,107	3,484,912	3,458,006
OTHER OPERATIONAL INCOME					
Current, savings and time deposit administration	162,607	155,360	137,745	123,430	97,923
Loan administration	41,357	45,993	40,096	37,051	29,559
Receipt of write-off credits	55,055	77,973	77,254	63,381	73,651
Fees and commissions other than credit given	5,613	14,795	7,089	6,175	6,393
Others	153,239	179,859	151,137	141,149	142,225
Total Other Operational Income	417,871	473,980	413,321	371,186	349,751
OPERATIONAL EXPENSES					

DESCRIPTION	2020	2019	2018	2017	2016
Labor and employee benefits	(1,544,532)	(1,459,394)	(1,411,911)	(1,179,380)	(1,060,045)
General and administration	(684,216)	(683,957)	(706,474)	(673,365)	(652,706)
Allowance for impairment losses on financial assets	(567,751)	(370,265)	(133,793)	(217,128)	(509,700)
Unrealized loss from changes in fair value of marketable securities, net	-	-	-	-	(155)
Other expenses	(162,365)	(163,386)	(143,329)	(143,418)	(133,569)
Total operating expenses	(2,958,864)	(2,677,002)	(2,395,507)	(2,213,291)	(2,356,175)
Operational Profit	1,516,277	1,796,579	1,705,921	1,642,807	1,451,582
NON-OPERATIONAL REVENUE (EXPENSE)					
Foreign exchange gain	2,255	2,440	3,013	1,149	(214)
Non-operating expenses	(40,586)	(6,565)	(7,960)	(38,582)	
Tax service fee	10,063	12,796	13,089	10,421	
Gain on sale of fixed assets	2,670	393	-	-	-
Gain on sale of securities - net effects	-	-	-	284	332
Unrealized gain from changes in fair value of marketable securities, net	-	-	-	-	72
Others	16,688	58,490	39,635	20,862	19,909
TOTAL NON OPERATING INCOME (EXPENSES)	(8,910)	67,554	47,777	(5,866)	546
INCOME BEFORE TAX EXPENSES	1,507,367	1,864,133	1,753,698	1,636,941	1,452,128
TAX EXPENSES - NET	(18,405)	(487,628)	(493,390)	(477,571)	(423,912)
CURRENT YEAR PROFIT	1,488,962	1,376,505	1,260,308	1,159,370	1,028,216
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Fixed asset revaluation surplus	6,199	74,239	44,713	112,985	537,756
Remeasurement of defined employee benefit liability	100,536	(289,357)	12,535	(70,356)	(1,612)
Income tax related	(21,556)	57,871	(3,134)	17,589	(21,106)
Items that will be reclassified to profit or loss:					
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	155,226	25	-	-	-
Income tax related	(29,493)	(5)	-	-	-
Other Comprehensive Income - Net of Tax	210,912	(157,227)	-	-	-
Total Comprehensive Income for The Year	1,699,874	1,219,278	1,314,422	1,219,588	1,543,254
Basic Income Per Share (In Full Value)	99,16	91,80	84,15	77,51	68,88
CASH FLOW STATEMENT					
Cash flows from operating activities					
Interest receipts, sharia, fees and commissions	5,950,142	5,793,913	5,126,743	4,944,953	4,920,825
Receipts from other operating income	153,239	396,007	336,066	307,806	276,100
Receipt back from write-off credit	55,055	77,973	77,254	63,381	73,651
Receipts from non-operating income	29,007	74,120	55,739	32,715	30,860
Payment for non-operating expenses	(40,586)	(6,565)	(7,960)	(39,656)	(30,100)
Payment of interest, sharia, fees and commissions	(1,799,442)	(1,832,032)	(1,501,446)	(1,386,372)	(1,412,098)
Payment of labor expenses and employee benefits	(1,490,765)	(1,427,754)	(1,360,329)	(1,134,253)	(1,055,901)
Payment of general and administrative expenses	(544,941)	(777,253)	(785,200)	(720,082)	(747,852)
Payment of taxes	(378,774)	(581,512)	(544,875)	(601,999)	(464,049)
Net cash is received before changes in operating assets and liabilities	1,932,935	1,716,897	1,395,992	1,466,493	1,591,436
Changes in operating assets and liabilities:					
Placements with Bank Indonesia and other banks	112,000	(112,000)	-	-	-
Credit given	(3,128,466)	(5,038,885)	(2,464,765)	(2,224,469)	(1,439,021)
Securities that are sold under repurchase agreements	1,038,432	(471,540)	(566,891)	-	-

DESCRIPTION	2020	2019	2018	2017	2016
<i>Reverse repo bill</i>	(6,735,524)	(5,837,520)	-	-	-
Other assets and other receivables	(282,585)	(53,071)	9,831	27,125	(8,964)
Liability immediately	127,269	(146,873)	93,811	87,829	(132,046)
Deposits from customers	7,922,408	9,629,941	11,070,824	7,046,450	(1,465,263)
Deposits from other banks	(32,826)	2,153,322	(713,853)	230,776	364,994
Liability for securities that are sold under repurchase agreements	(1,037,094)	470,394	566,699	-	-
Other liabilities	(146,658)	27,092	35,672	29,216	(43,224)
Net cash was provided by operating activities	(230,109)	2,337,757	9,427,320	6,663,420	(1,132,088)
Cash flows from investing activities					
Purchase of securities	(4,943,265)	(1,774,238)	(3,032,249)	(1,458,594)	2,197,500
Acquisition of fixed assets	(32,487)	(22,126)	(31,236)	(31,412)	(47,411)
Sale of fixed assets	2,671	393	-	-	-
Net cash is used for investing activities	(4,973,081)	(1,795,971)	(3,063,485)	(1,490,006)	2,150,089
Cash flows from financing activities					
Receipt (payment) of received loans	(1,238,891)	1,144,682	(571,314)	324,079	482,585
Proceeds from additional share capital	7,263	14,209	1,826	12,204	12,318
Payment of lease liability	(886)	-	-	-	-
Payment of cash dividends	(723,747)	(683,865)	(660,386)	(652,202)	(641,460)
Net cash is used in financing activities	(1,956,261)	475,026	(1,229,874)	(315,919)	(146,557)
Net increase in cash and cash equivalents	(7,159,451)	1,016,812	5,133,961	4,857,495	871,444
Cash and cash equivalents at the beginning of the year	20,453,366	19,437,785	14,304,019	9,446,524	8,575,371
Effect of changes in foreign currency exchange rates	(25)	(1,231)	(195)	-	(291)
Cash and cash equivalents at year end	13,293,890	20,453,366	19,437,785	14,304,019	9,446,524
Cash and cash equivalents consist of:					
Cash	2,511,548	2,729,776	1,913,960	1,673,588	1,709,884
Current accounts with Bank Indonesia	3,659,969	5,734,527	4,075,938	3,617,670	2,504,680
Current accounts with other banks	237,715	111,479	97,287	66,811	85,694
Placements with Bank Indonesia and other banks	6,884,658	11,877,584	13,350,600	8,945,950	4,946,266
Bank Indonesia Certificates of Deposit with maturities of three months or less from the date of acquisition	-	-	-	-	200,000
Total cash and cash equivalents	13,293,890	20,453,366	19,437,785	14,304,019	9,446,524
FINANCIAL RATIO (%)					
Minimum Capital Requirement (KPMR)	21.64	21.23	24.21	24.65	23.88
Earning Asset Quality	3.48	2.83	2.07	2.85	3.22
Non-Performing Loans (NPL-Gross)	4.00	2.77	3.75	4.59	4.77
CKPN Against Earning Assets	1.93	0.71	2.18	3.06	3.46
Fulfillment of PPAP / CKPN	59.48	52.84	68.37	74.19	76.46
Return on Assets	1.95	2.73	2.96	3.12	2.98
Return on Equity	18.77	18.07	17.75	17.43	17.82
Net Interest Margin	5.55	6.11	6.37	6.68	6.94
Ratio of Fee Based Income to Total Operating Income	12.37	8.86	8.72	8.39	8.39
Operating Costs / Operating Income (BOPO)	77.76	71.40	69.45	68.63	72.22
Cost Efficiency Ratio	50.93	52.65	56.01	52.72	49.49
Credit Against Third Party Funds (LDR)	60.58	63.34	66.57	79.69	90.48
Minimum Statutory Reserves (Rupiah)	5.03	9.63	7.99	7.97	6.51
Minimum Statutory Reserves (Foreign Currency)	8.22	9.21	11.84	14.94	10.73
Net Open Position (NOP)	0.89	1.31	2.35	1.19	3.53

Operations Highlights

DESCRIPTION	2020	2019	2018
CONVENTIONAL			
CREDIT/LOAN			
Corporate and Syndicated Medium Credit	9,748,903	8,711,965	6,920,700
Consumer Credit	25,951,351	24,659,762	22,905,473
Retail and Micro Credit Programs	4,173,152	3,578,740	2,947,402
THIRD PARTY FUND/DEPOSITS			
Giro	21,039,669	23,721,437	19,168,880
Savings	22,285,619	21,669,322	18,789,218
Deposit	23,316,556	13,509,606	11,307,225
OTHER SERVICES			
Treasury	33,965,337	29,707,332	20,766,066
SHARIA			
Funding	1,826,436	1,645,508	1,650,608
Sharia Financing	1,607,359	1,401,833	1,119,662
Sharia Other Services	1,378,999	875,545	990,315

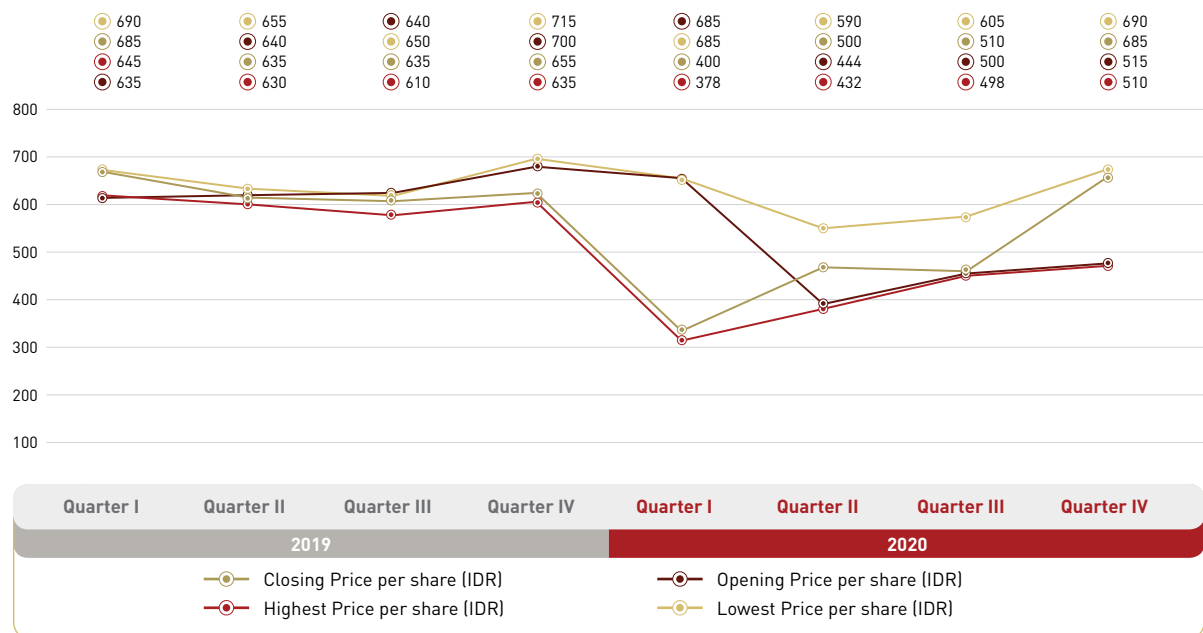
Share Price Information

Table of Prices, Volume and Capitalization of Bank Jatim Shares 2019-2020

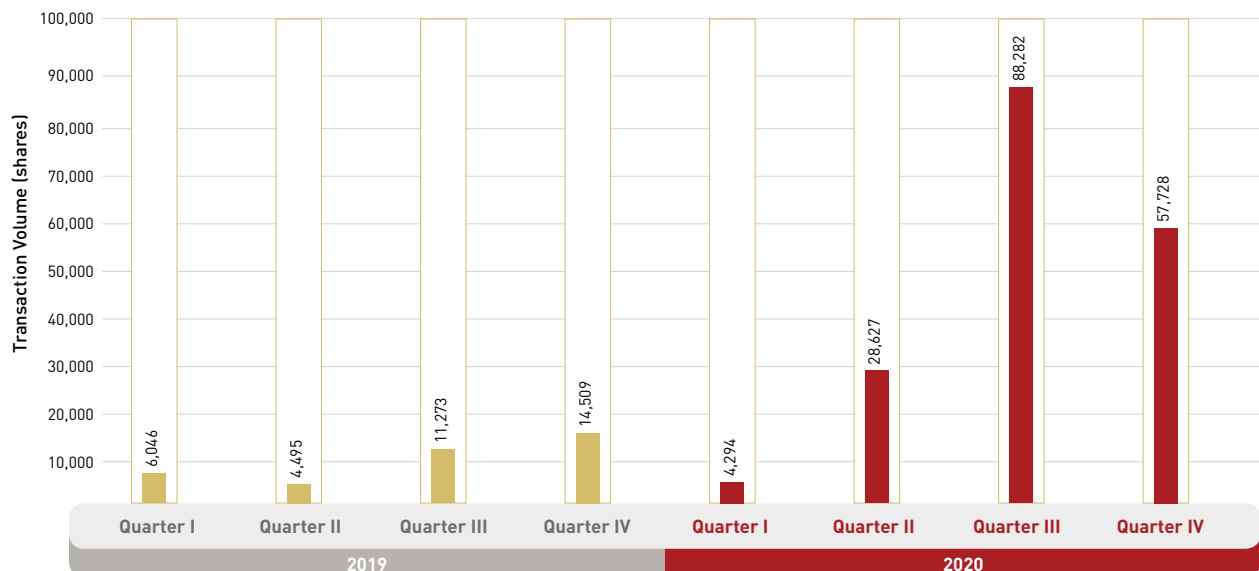
(in million Rupiah)

Year	Price per share (IDR)				Number of Outstanding Shares (shares)	Transaction Volume (shares)	Market Capitalization (IDR Billion)
	Opening (IDR)	Highest (IDR)	Lowest (IDR)	Closing			
2020							
Quarter I	685	685	378	400	15,015,498,082	4,294	6,547
Quarter II	444	590	432	500	15,015,498,082	28,627	7,508
Quarter III	500	605	498	510	15,015,498,082	88,282	7,658
Quarter IV	515	690	510	685	15,015,498,082	57,728	10,277
2019							
Quarter I	635	690	645	685	15,002,370,582	6,046	10,094
Quarter II	640	655	630	635	15,002,370,582	4,495	9,558
Quarter III	650	640	610	635	14,993,772,982	11,273	9,620
Quarter IV	700	715	635	655	14,993,772,982	14,509	10,522
2018							
Quarter I	710	790	625	630	14,975,852,582	169,394	9,435
Quarter II	635	715	645	680	14,975,852,582	78,543	10,184
Quarter III	685	670	630	650	14,978,134,982	54,344	9,736
Quarter IV	655	715	600	690	14,978,134,982	47,306	10,33
2017							
Quarter I	570	700	540	690	14,946,299,182	471,010	10,313
Quarter II	685	840	635	665	14,946,299,182	292,313	9,939
Quarter III	670	740	615	700	14,974,591,382	142,612	10,482
Quarter IV	700	740	665	710	14,974,591,382	90,032	10,632
2016							
Quarter I	437	481	405	475	14,917,684,982	85,603	7,086
Quarter II	476	510	438	510	14,917,684,982	45,359	7,608
Quarter III	510	695	494	565	14,945,057,582	668,988	8,444
Quarter IV	570	645	480	570	14,945,057,582	494,392	8,519

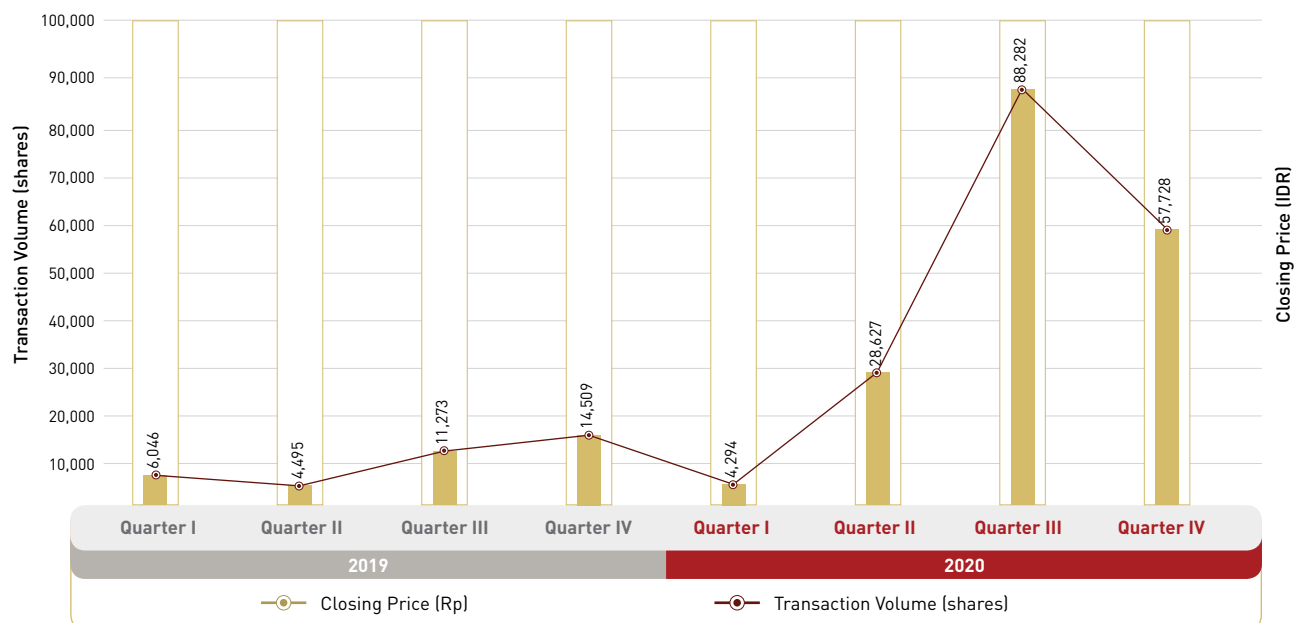
Graph of Bank Jatim Stock Price Movement in 2019 - 2020



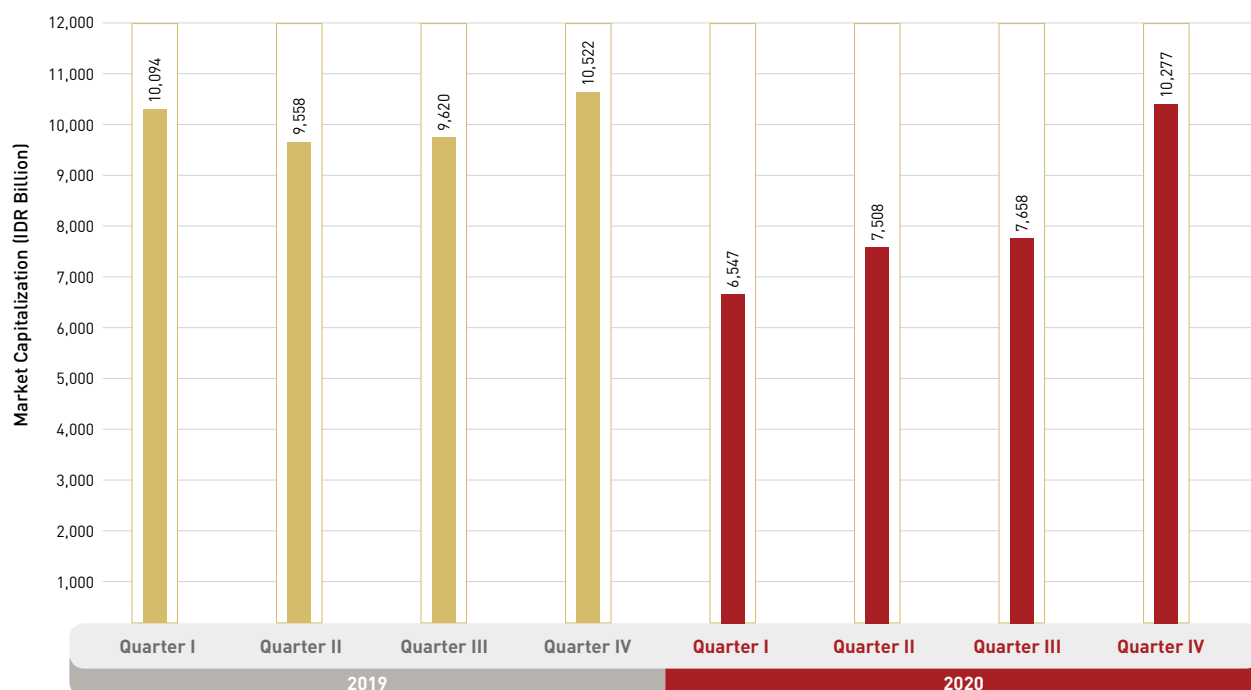
Graph of Bank Jatim Stock Transaction Volume in 2019 - 2020



Graph of Price Movement and Volume of Bank Jatim Shares in 2019 - 2020



Graph of Bank Jatim Stock Market Capitalization in 2019 - 2020



Corporate Actions

In 2020, Bank Jatim carried out corporate actions, namely the addition of Capital without Pre-emptive Rights which is described as follows:

Date	Description	Stock	Step	Nominal value (IDR)	Offer Price (IDR)	Number of Shares (Sheet)
February 3 - March 16, 2020	MESOP Win Ex I Program in 2020	Series B	II	790,975,000	409	3,163,900
				2,490,900,000	599	9,963,600
TOTAL ADDITIONAL CAPITAL DEPOSITS FROM MESOP PROGRAM				24,453,275,000		97,813,100
TOTAL CAPITAL APPLACED AND SHARES OF SERIES B BEFORE MESOP				745,884,250,000		2,983,537,000
TOTAL APPLACED AND PAID IN SERIES B SHARES				770,337,525,000		3,081,350,100

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

As of December 31, 2020, Bank Jatim had never been subject to a suspension of share trading (suspension) and / or delisting.

Bond Information, Sukuk and/or Conversion Bonds

As of December 31, 2020, Bank Jatim had not issued bonds/sukuk/convertible bonds. Thus, there was no information regarding bonds/sukuk/convertible bonds.

— Company Analysis Report

No	Name	Recomendation	Target Price	Date
1	Mandiri Sekuritas	BUY	900	September 30, 2020
2	Danareksa		760	
3	RHB Research		760	
4	Credit Suisse	Out Perform	690	

RESUME

- Overview of Bank Jatim's financial performance as of September 2020 noted that the total assets of Bank Jatim in the third quarter of the September 2020 period increased by 13.80% YoY to IDR 82.08 trillion.
- Loan growth increased by 7.03% YoY, with the largest credit growth in the SME sector which increased by 12.24%, Commercial 9.86% YoY and Consumer increasing by 4.60% YoY.
- Credit restructuring with lower interest rates and / or postponement of principal and interest installments resulted in interest income growing to 4.37% YoY and NIM to decline by 5.70%, an increase from 6.20% in the previous period.
- Bank Jatim IT roadmap for 2020 to upgrade the core banking system, so that in the future, in facing competition in digital banking services, Bank Jatim was ready to meet market demand.
- Bank Jatim's performance in the third quarter of September 2020 recorded a net profit of IDR1.1 trillion or -3.59% YoY but it grew compared to the achievement in the second quarter of IDR770 billion or -5.67% YoY so that the stock experienced an outperform (the performance of a stock could exceed the performance from the stock price index) in the third quarter of 2020. This happened because the Composite Stock Price Index (IHSG) in the third quarter decreased compared to the second quarter of this year.
- Several securities companies provided Buy and Outperform recommendations to Bank Jatim shares (code: BJTM).

— Event Highlights in 2020



3

January

The signing of the MoU of PT Bank Perkreditan Rakyat East Java with PT Bank Pembangunan Daerah Jawa Timur Tbk..



30

January

Analyst Meeting and Press Conference of PT Bank Pembangunan Daerah Jawa Timur Tbk.



6

February

Bank Jatim Developed the Sacrifice Plan Savings with the Rumah Zakat Foundation.



2

March

Signing of MoU PW GP Anso East Java with PT Bank Pembangunan Daerah Jawa Timur Tbk.



24

April

Bank Jatim Annual General Meeting of Shareholders for the 2019 Financial Year.



27

April

Bank Jatim provided assistance for people affected by COVID-19 to the East Java Provincial Government.



23

July

Bank Jatim Extraordinary General Meeting of Shareholders in 2020.



24

July

Bank Jatim together with the P3AK Office of East Java Province provided assistance to 20 districts / cities in East Java in the form of machines for the Dukcapil Mandiri Pavilion.



27

July

Signing of the Working Capital Guarantee Cooperation Agreement for the National Economic Recovery Program.



29

July

Analyst Meeting and Press Conference of PT Bank Pembangunan Daerah Jawa Timur Tbk.



12

August

Review and Submission of the Working Capital Credit Guarantee Scheme for the Batu City National Economic Recovery Program.



13

August

Lamongan Online Market Launching.



18

August

Commemoration of the 59th Anniversary of PT Bank Pembangunan Daerah Jawa Timur Tbk.



24

August

The Signing of the Cooperation between Bank Jatim and the National Housing Public Company.



25

August

Metro TV Central Point Interactive Dialogue "Bank Jatim Advances MSMEs".



28

August

Bank Jatim won the 2020 TOP BUMD Award.



27

September

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Lumajang Regency.



28

September

Submission of the Probolinggo Regency Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN).



28

September

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) in Pasuruan Regency.



29

September

Handover of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Pamekasan Regency.



29

September

Submission of the Revolving Fund (Dagulir) and the National Economic Recovery Fund (PEN) for Sumenep Regency.



1

October

Kick Off KEJAR (One Student One Account).



4

October

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Kediri Regency.



4

October

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Kediri Regency.



5

October

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Blitar Regency.



5

October

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Blitar City.



9

October

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Magetan Regency.



9

October

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Jombang Regency.

**October**

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Trenggalek Regency.

**October**

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Pacitan Regency.

**October**

Analyst Meeting and Press Conference of PT Bank Pembangunan Daerah Jawa Timur Tbk.

**October**

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) Situbondo Regency.

**November**

Tiara Andini enlivened the Summit of the Bank Jatim Simpeda Lucky Draw.

**November**

Handover of the Jember Regency Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN).

**November**

Submission of Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN) for Bondowoso Regency.

**December**

Submission of District Banyuwangi Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN).

**December**

Public Expose Bank Jatim 2020.

**December**

Submission of District Revolving Fund (Dagulir) and National Economic Recovery Fund (PEN).



Report of The Board Of Commissioners and The Board of Directors

“

In the midst of economic conditions that have not improved, Bank Jatim's performance in 2020 has met the set target. The achievement of total assets succeeded in exceeding the target of 110.39%, deposits from customers and deposits from other banks succeeded in exceeding the target of 114.24% and 503.57%, respectively. Loans were given and also succeeded in exceeding the target of 100.16% and the profit for the year succeeded in exceeding the target set at 106.56%.

”





— Report of The Board of Commissioners



“

Bank Jatim has recorded good operational performance in 2020. Total Corporate and Syndicated Medium Loans in 2020 increased 11.90%, total Consumer Loans increased 5.24%, Third Party Funds Savings increased 2.84% and Time Deposits increased 72.59 % from 2019. In addition, financing in 2020 also increased by 14.66% from 2019.

”

**Akhmad
Sukardi**
President Commissioner



Dear Shareholders and Stakeholders,

Praise the presence of Allah SWT, for the blessings of His grace. In 2020, Bank Jatim recorded a good performance. 2020 became a year full of. Other than economic condition that had not fully recovered, the COVID-19 pandemic that occurred in 2020 had a negative impact on the world economy. To that end, the Board of Commissioners gave awards to the Directors who were able to face these challenges and carry out their duties properly.

On this occasion, the Board of Commissioners submitted a supervisory report and provided advice to the Board of Directors throughout 2020. The Board of Commissioners conducted periodic supervision and provided advice to the Board of Directors including strategies, policies and bank performance in order to achieve the targets and vision and mission that had been set. The Board of Commissioners also always provided directions to the Board of Directors through the mechanisms stipulated in the Articles of Association and the prevailing laws and regulations.

Next, we submitted the monitoring report and provided advice to the Board of Commissioners on the management of the Bank for the 2020 financial year.

Supervision on The Implementation of Bank Strategies

During 2020, the Board of Commissioners carried out its duties, obligations and responsibilities in order to supervise the management policies and management of the Bank stipulated based on the prevailing laws and regulations and the Bank's Articles of Association. On the supervision of the implementation of the Bank's strategy, the Board of Commissioners carried out supervision including the following:

1. Evaluating and approving the Corporate Plan and Business Plan as well as supervise the process of achieving the Business Plan.
2. Evaluating the Consolidated Financial Performance of Bank Jatim regularly.
3. Performing the supervisory function of Risk Management.
4. Supervising the compliance function as well as review the implementation report of the Compliance function and the implementation of the Compliance Director's duties.
5. Monitoring and evaluating the policies of the Board of Directors.
6. Monitoring and evaluating the development and management of Human Resources (HR).
7. Performing active monitoring of efforts to repair and handle non-performing loans.
8. Evaluating and monitoring of policies in the implementation of provision of funds to related parties as well as those classified as large / Large Exposure.

Frequency and How to Provide Advice to The Board of Directors

Providing advice from the Board of Commissioners to the Board of Directors was carried out formally or informally in a variety of means, either through written letters or in meetings. Providing advice through meetings was carried out through the mechanism of the Board of Commissioners meeting with the Board of Directors. During 2020, the Board of Commissioners held 12 (twelve) joint meetings, namely the Board of Commissioners Joint Meeting with the Board of Directors. During 2020, the Board of Commissioners issued 14 (fourteen) letters of approval regarding the approval of the Proposed Organizational Structure, credit to related parties, and other approvals under the authority of the Board of Commissioners as stipulated in the Articles of Association and applicable regulations. The several agreements can be conveyed as follows.

No.	Letter Date	Subject
1	January 20, 2020	Approval of Bank Jatim Corporate Plan 2020 - 2024
2	February 18, 2020	Approval of Adjustment of Bank Jatim Business Plan 2020
3	February 26, 2020	Approval of Financing
	March 5, 2020	Approval Report for Additional KMK Ceiling Additions to the Large Exposure Category
4	April 2, 2020	Approval of BPP Stimulation for Covid-19 impact debtors
5	May 20, 2020	Approval of the 2020 Bank Jatim Business Plan Revision
6	June 24, 2020	Approval of the 2020 Audit Plan Amendments
7	June 26, 2020	Approval of the Revised Bank Jatim Business Plan in 2020
8	July 13, 2020	Approval of Financing
9	August 12, 2020	Approval of the Board of Commissioners regarding Changes in the Guidelines for Implementation of Stimulus for Debtors affected by COVID - 19
10	November 30, 2020	Approval of the 2021 Bank Jatim Business Plan
11	December 1, 2020	Approval of Credit Applications to Related Parties PT BPR Jatim
12	December 4, 2020	Approval and Appointment of KAP to Audit PT Bank Jatim's Financial Statements for the 2020 Period

Assessment on The Performance of The Board of Directors

The Board of Commissioners considered several aspects as the basis for evaluating the performance of the Board of Directors. These aspects included economic conditions, performance outcomes, namely operational performance, financial performance and the soundness of the company. The evaluation of the performance of the Board of Directors can be presented as follows.

Economic and Industry Review

2020 was 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. Nonetheless, faced with the global health and economic crisis, the IMF took accommodative measures to protect society, the economy, and the financial system. However, the prospects for a more stable economic recovery were still very uncertain and highly dependent on handling the COVID-19 pandemic.

In line with the global economy, the dynamics of the national economy throughout 2020 were also affected by the COVID-19 pandemic. A number of countercyclical and accommodative policies had been issued by the government to boost the national economy throughout 2020. Although the realization of national economic growth in the fourth quarter of 2020 was still at -2.19% (YoY), a number of economic indicators indicated ongoing improvement, such as increased activity of export-import, improved manufacturing PMI, and maintained sales and consumer expectations.

In order to reduce the wider impact of COVID-19 on the economy, various accommodative policies had been implemented by the Indonesian government. Among them were the policy to lower interest rates in order to boost consumption and maintain monetary stability. Throughout 2020, Bank Indonesia lowered the benchmark interest rate by 5 (five) times by 125 basis points (bps) and was maintained at 3.75% at the end of 2020, which also became the lowest level in history.

Operational Performance and Financial

In the midst of unstable economic conditions which were particularly affected by the pandemic, the Board of Directors was able to face the challenges and opportunities that occurred by recording a good performance in 2020. Bank Jatim recorded good operational performance in 2020. Total Corporate and Syndicated Intermediate Loans in 2020 reached IDR Rp9,949 billion, an increase of 11.90% compared to 2019 which reached IDR8,711 billion. Total Consumer Credit in 2020 reached IDR 25.95 trillion, an increase of 5.24% compared to 2019 which reached IDR24.66 trillion. In addition, Bank Jatim Third Party Funds also increased. Total Savings in 2020 reached IDR22,286 billion, an increase of 2.84% compared to 2019 which reached IDR21,669 billion. Time deposits in 2020 reached IDR23,317 billion, an increase of 72.59% compared to 2019 which reached IDR13,509 billion. From sharia financing, the amount of realized financing in 2020 was IDR1,607,359 million, an increase of IDR205,526 million or 14.66% compared to 2019 of IDR1,401,833 million.

In terms of financial performance, in 2020 Bank Jatim has also recorded good performance. In 2020, the total assets of East Java bank amounted to IDR 83,619,452 million, an increase of 8.94% from 2019 which amounted to IDR 76,756,313 million. Equity in 2020 reached IDR10,004,948 million, an increase of 10.90% compared to the previous year which reached IDR9,021,558 million. Profit for the Year in 2020 reached IDR 1,488,962 million, an increase of 8.17% compared to the previous year which reached IDR 1,376,505 million.

Bank Health Level

The soundness level of the Bank was assessed based on the POJK. 4 / POJK.03 / 2016 concerning Rating of Commercial Bank Soundness using a risk-based bank rating. Assessment of bank soundness was carried out on bank risk and performance which could be seen from the final rating of the assessment results. The Composite Rating (PK) for the Health Level of Bank Jatim for the position of December 31, 2020 was in PK 2 (Healthy).

Assessment of the soundness of a bank used a risk approach (risk based bank rating) which included 4 (four) risk factors, namely:

1. Risk Profile
2. Good Corporate Governance (GCG)
3. Rentability (Earnings)
4. Capital

Views on Prospects Prepared by The Board of Directors

It is estimated that conditions for economic recovery in 2021 will vary between countries, depending on access to health facilities, especially the implementation of the COVID-19 vaccination, as well as fiscal and monetary effectiveness. However, global economic activity was expected to continue to increase, supported mainly by China and the United States, as well as a number of developed countries such as Europe and Japan, as shown by improvements in a number of early economic indicators at the end of 2020, as well as social and geopolitical conditions following the new United States leadership period.

Optimism for national economic recovery in 2021 is still faced with various challenges. Although some basic economic indicators were slightly lower than originally estimated, a number of indicators suggested that the economy would continue to improve, such as the start of increasing export-import activity, improving manufacturing Purchasing Managers' Index (PMI), and favorable sales and consumer expectations.

After considering economic conditions and the banking industry, the Board of Commissioners believed that the business prospects that had been prepared by the Board of Directors were correct. The Board of Commissioners was of the view that Bank Jatim would be able to take advantage of the existing opportunities. This is reinforced by the opportunities that Bank Jatim has, namely, full support from shareholders (Provincial Government, City Government, and Regency Government), the large market share of Bank Jatim, which is mostly civil servants, and Bank Jatim network coverage which is spread across all districts in the Province East Java, including the archipelago, DKI Jakarta Province and Batam City, Riau Islands Province.

Views on The Implementation of Corporate Governance

The implementation of Corporate Governance at Bank Jatim always referred to the applicable regulations. In addition, the Bank also based its implementation guidelines on good corporate

governance (GCG) in accordance with international best practices / standards. The Board of Commissioners always carried out its supervisory function to ensure that the management of the Bank carried out by the Board of Directors was in accordance with the applicable laws and regulations and provides the advice / opinion required on any strategic actions / activities in order to achieve the Company's goals. The Board of Commissioners was of the view that the implementation of GCG in the Company had gone well. This can be seen in the following components.

Risk Management

The Risk Management Framework was contained in the Bank Jatim Risk Governance Structure which included three main parts, namely Risk Monitoring, Risk Policy and Management, and Risk Identification, Measurement, Mitigation, and Control. The three main parts were supported by the Audit Unit in ensuring the effectiveness of its implementation.

Based on the Regulation of the Financial Services Authority (OJK) Number 18/POJK.03/2016 dated March 16, 2016 concerning the Application of Risk Management for Commercial Banks and FSA Circular Letter Number 34/SEOJK.03/2016 dated September 1, 2016 concerning the Implementation of Risk Management for Commercial Banks. Bank Jatim Risk Governance Structure was developed based on the Four Pillars of Risk Management Implementation, namely:

1. Active supervision by the Board of Commissioners and Directors.
2. Adequacy of policies, procedures and limit setting.
3. Adequacy of the process of identification, measurement, monitoring, and risk control as well as the Risk Management information system.
4. Comprehensive internal control system.

In the Bank's business and functional activities, an individual risk profile was attached to the Bank Jatim business. The risks inherent in Bank Jatim's business in accordance with FSA regulations were 8 (eight) risks which included Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk. In accordance with FSA Regulation No. 18/POJK.03/2016 concerning Implementation of Risk Management for Commercial Banks Article 23, Bank Jatim had submitted a Bank Risk Profile Report to FSA. The results of the self-assessment of the Bank's risk profile as of December 2020 were rank 2 (PK-2) with an inherently low to moderate risk rating and the Quality of Risk Management Implementation (KPMR) rating, namely Fair.

The Board of Commissioners was of the opinion that the implementation of risk management at Bank Jatim was already good. This was because the Bank constantly evaluated the effectiveness of the risk management system. Evaluation included adjustments to the risk strategy and framework as part of the risk management policy, the adequacy of the risk management information system as well as the adequacy of the process of identification, measurement, monitoring and risk control.

One form of evaluation on risk management policies was an evaluation of the Risk Management Policies and Standard Procedures. The Board of Commissioners played an active role in the evaluation of the risk management system by reviewing the results that had been carried out by the Board of

Directors as the organ responsible for the effectiveness of the implementation of the risk management system. The evaluation results showed that the implementation of Bank Jatim risk management during 2020 was quite adequate. Evaluation of risk management implementation was carried out periodically. The results of the evaluation were then submitted to various levels of management as well as to related external parties such as the Financial Services Authority.

Internal Control System

In order to create and improve the quality of risk management implementation that supported the effectiveness of a risk-based 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 more accurate reports are available.
3. Improve compliance with applicable regulations.
4. Reduce the financial impact or impact of losses, irregularities including fraud and violations of prudential aspects.
5. Improve organizational effectiveness and increase cost efficiency.

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. 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 stipulated such internal control.
3. Internal Audit Work Unit (SKAI)
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 implementation 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, promoted an adequate risk culture and compliance culture, and accelerated 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.

The Board of Directors periodically (every quarter) reviewed the operational performance report of the Head of the Work Unit (Head of Branch). Through this review, findings were evaluated, such as problems with weaknesses in the internal control system, errors in financial report reports or other irregularities (fraud). The Board of Commissioners was of the opinion that the implementation of the internal control system in the Bank had gone well.

Whistleblowing System

In order to prevent cases of operational irregularities at the Bank, in particular fraud that could harm customers or banks and the issuance of Bank Indonesia Circular Letter No. 13 / 28 / DPNP dated December 9, 2011 regarding the Implementation of Anti-Fraud Strategies for Commercial Banks, it was necessary to increase the effectiveness of internal control as an effort to minimize the risk of fraud, including implementing an anti-fraud strategy. The organizational system that was responsible for implementing the anti-fraud strategy at Bank Jatim was the Internal Audit Division.

The success of implementing the anti-fraud strategy as a whole really depended on the commitment and enthusiasm of the Board of Commissioners and the Board of Directors to foster an anti-fraud culture and concern at all levels of the Bank's organization. One of them was by making a written commitment called the Anti-Fraud Declaration signed by the Board of Commissioners, Board of Directors and all employees of the Bank's organizational ranks. The Board of Commissioners also played a role in evaluating the Special Audit Report submitted by the Special & Assurance Sub Division to provide direction regarding the effectiveness of WBS implementation.

Prevention measures and detection and identification of potential risks of vulnerability constituted an early warning system for the operation of the operational process. Identification of findings indicated fraud, implicated in whistleblowing policies and mechanisms. Through this mechanism, it was expected that early detection of a violation occurred and could 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 at Bank Jatim.

There were 2 (two) types of violations, namely violations of discipline and disciplinary violations related to disciplinary violations 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. The Board of Commissioners was of the view that the management of the Whistleblowing System at Bank Jatim had been going well. Bank Jatim would continue to strive to increase the understanding and concern of employees and other parties to report violations through whistleblowers so that it was expected to be able to create a clean and integrity work environment. In this regard, the following steps have been taken:

1. Conducting an Anti-Fraud Strategy (SAF) program, including surprise audits (Operations and Credit).
2. Conducting socialization related to the implementation of anti-fraud strategy and whistleblowing system at the audit results exit meeting and employees including new employees.
3. Providing materials related to the implementation of anti-fraud strategies and the whistleblowing system in the employee promotion program education schedule.
4. Developing the SAF system.

Assessment of Committees Under The Board of Commissioners

In order to enhance the role of the Board of Commissioners in carrying out its supervisory function, the Board of Commissioners was assisted by 3 (three) committees, namely the Audit Committee, the Remuneration and Nomination Committee, and the Risk Monitoring Committee.

The Board of Commissioners periodically (annually) evaluated the effectiveness of the performance of the Committees under the Board of Commissioners. The Board of Commissioners considered that during 2020 the Committees carried out their duties and responsibilities quite effectively and worked independently and provided useful input / recommendations for the Board of Commissioners.

Changes in The Composition of The Board of Commissioners

The entire Board of Commissioners of Bank Jatim passed fit and proper without notes and received approval from the FSA, indicating that each member of the Board of Commissioners had adequate integrity, competence and financial reputation in accordance with FSA Regulation No. 27 / POJK.03 / 2016 concerning Fit and Proper Test for Main Parties of Financial Services Institutions, which stated that candidates for the Board of Commissioners had to obtain approval from the FSA before carrying out their actions, duties and functions as the Board of Commissioners.

During 2020, the composition of the members of the Company's Board of Commissioners did not change. Thus, the composition of the Board of Commissioners of Bank Jatim during 2020 was 6 (six) people consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners and 2 (two) Commissioners. The entire Board of Commissioners was domiciled at the Bank Jatim Head Office.

Name	Position	Basic Appointment	Effective date
Akhmad Sukardi	President Commissioner	Annual GMS for the 2017 Fiscal Year on February 20, 2018	August 9, 2018
Rudi Purwono	Independent Commissioner	Extraordinary GMS on June 24, 2016	September 16, 2016
Candra Fajri Ananda	Independent Commissioner	Annual GMS for the 2017 Fiscal Year on February 20, 2018	September 21, 2018
Mas'ud Said	Independent Commissioner	Extraordinary GMS on June 19, 2019	October 11, 2019
Budi Setiawan	Commissioner	Annual GMS for the 2017 Fiscal Year on February 20, 2018	August 9, 2018
Heru Tjahjono	Commissioner	Extraordinary GMS on June 19, 2019	October 11, 2019

Closing

The Board of Commissioners appreciated the Board of Directors, management and all employees for the performance achieved in the 2020 Financial Year amid the conditions of the COVID-19 pandemic. The Board of Commissioners was grateful for the trust given by shareholders to become an important part of the banking business journey. To other stakeholders, the Board of Commissioners would like to thank for the cooperation that has been going on so far. In the future, the Board of Commissioners sincerely hopes that all levels of the Bank can continue to formulate the right strategy and be able to lead the Bank to better growth.

Surabaya, April 2021

On behalf of the Board of Commissioners

Akhmad Sukardi

President Commissioner

— Report of The Board of Directors



“

In 2020, Bank Jatim has recorded good financial performance. Interest and Sharia Income, Net increased by 1.44%. Profit for the Year has increased by 8.17%. Equity increased by 10.90% and the total assets of Bank Jatim in 2020 increased by 8.94% from 2019.

”

Busrul Iman
President Director



Respected shareholders and other Stakeholders,

We thank God Almighty for His blessings and gifts so that we were able to go through 2020 well in the midst of quite challenging conditions. On this occasion, please allow us to submit a report on the management of the Bank for 2020. The Board of Directors would like to give appreciation and gratitude to all levels of management and Bank employees for the achievement of the Bank's performance.

Next, we submitted the Bank Jatim management report related to the implementation of the Bank's management duties by the Board of Directors which included a brief profile of the Bank, performance analysis, analysis of business prospects, developments in the implementation of corporate governance and changes in the composition of the Board of Directors.

Brief Profile of The Bank

Main Bank Activities

Bank Jatim conducted business in the banking sector in accordance with Article 3 of the latest Articles of Association 2020. The purpose and objective of the Company was to carry out business in the field of financial and insurance activities, particularly banking, in accordance with the provisions of the prevailing laws and regulations.

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

1. Collecting funds from the public in the form of deposits in the form of demand deposits, time deposits, certificates of deposit, savings and/or other equivalent forms;
2. Providing Credit;
3. Issuing debt instruments;
4. Buying, selling or guarantying at its own risk or for the benefit of and at the orders of its customers:
 - a. Notes including bank drafts accepted by the bank whose validity period was no longer than the trading practice of the said securities;

- b. Debt acknowledgments and other trading papers whose validity period was no longer than the custom in the trading of said securities;
 - c. State treasury bills and government guarantees;
 - d. Bank Indonesia Certificates (SBI);
 - e. Bonds;
 - f. Commercial papers with a period of time in accordance with statutory regulations;
 - g. Other securities instruments with a maturity in accordance with the prevailing laws and regulations;
5. Transferring money either for own interest or for the benefit of customers;
 6. Placing funds with, borrowing funds from or lending funds to other banks either by letter, telecommunication facilities or by display draft, check or other means;
 7. Receiving payment of invoices for securities and perform calculations with or between third parties;
 8. Placing funds from one customer to another customer in the form of securities that were not listed on the stock exchange;
 9. Conducting activities in foreign currency and/or as a Foreign Exchange Bank by complying with the provisions stipulated by the competent authority;
 10. Providing financing and/or carry out other activities including carrying out activities based on sharia principles in accordance with applicable regulations; and
 11. Carrying out other banking activities in accordance with applicable legal provisions, both at home and abroad.

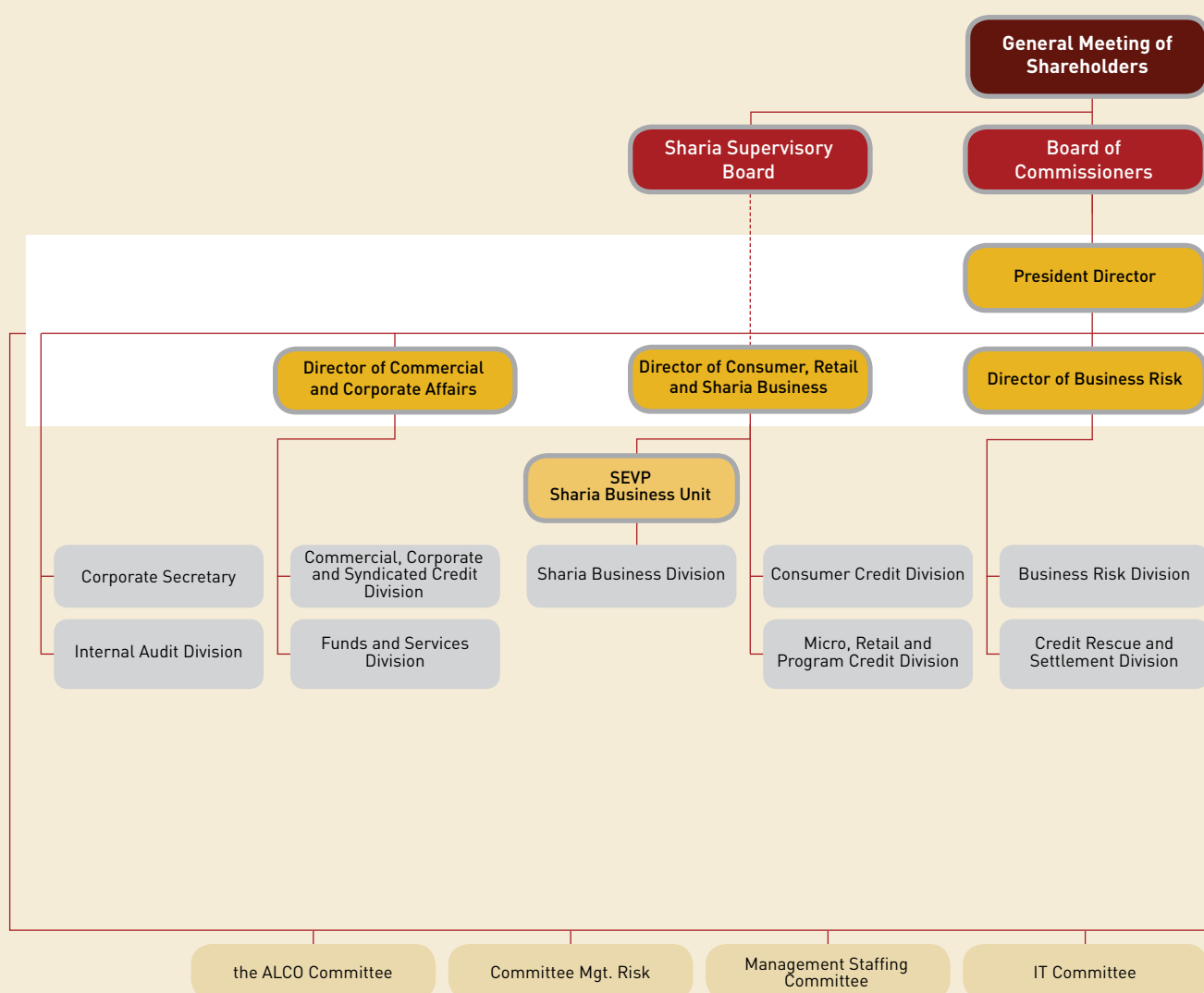
To support the main business activities of the bank, Bank Jatim also carried out supporting business activities as follows:

1. Providing a place to store goods and securities;
2. Carrying out custody activities for the benefit of other parties based on a contract;
3. Purchasing part or all of the collateral either through an auction or outside the auction based on voluntary delivery by the collateral owner or based on the power to sell outside the auction from the collateral owner in the event that the debtor does not fulfill his obligations to the company, provided that the collateral purchased must be cashed immediately;

4. Carrying out factoring, credit card business and trustee activities;
5. Conducting equity participation in banks or other companies in the financial sector, including leasing, venture capital, securities companies and clearing houses for settlement and storage or establishing new companies as long as they do not conflict with applicable regulations;
6. Conducting temporary equity participation activities to overcome the consequences of credit failure or financing failure based on sharia principles, provided that the participation had to be withdrawn by complying with applicable regulations;
7. Acting as a pension fund founder and manager of a pension fund in accordance with the applicable pension fund regulations;
8. Providing technical assistance to Regional Owned Enterprises (BUMD) within the Provincial Government of East Java and Regency/ City throughout East Java, both in the form of a Regional Company or a Limited Liability Company (PT) in the framework of cash and financial management;
9. Performing other activities that were commonly carried out by banks as long as they did not conflict with the prevailing laws and regulations.

Products and Services

Bank Jatim products and services included various savings products, consumer loans, medium and corporate loans, micro credit, retail and programs, treasury products, business services, institutional services, sharia financing products, sharia funds and services, e-channels and other services. Savings products included Rupiah Demand Deposit Accounts, Foreign Currency Accounts, Rupiah Deposits, Foreign Currency Deposits, Simpeda Savings, Siklus Savings, Hajj Savings, My Savings, Student Savings (SIMPEL), Laku Pandai Savings (SiPandai) and Cycle Pension Savings. Meanwhile, treasury products included General Foreign Exchange (Telegraphic Transfer), Bank Notes and Deposit on Call.



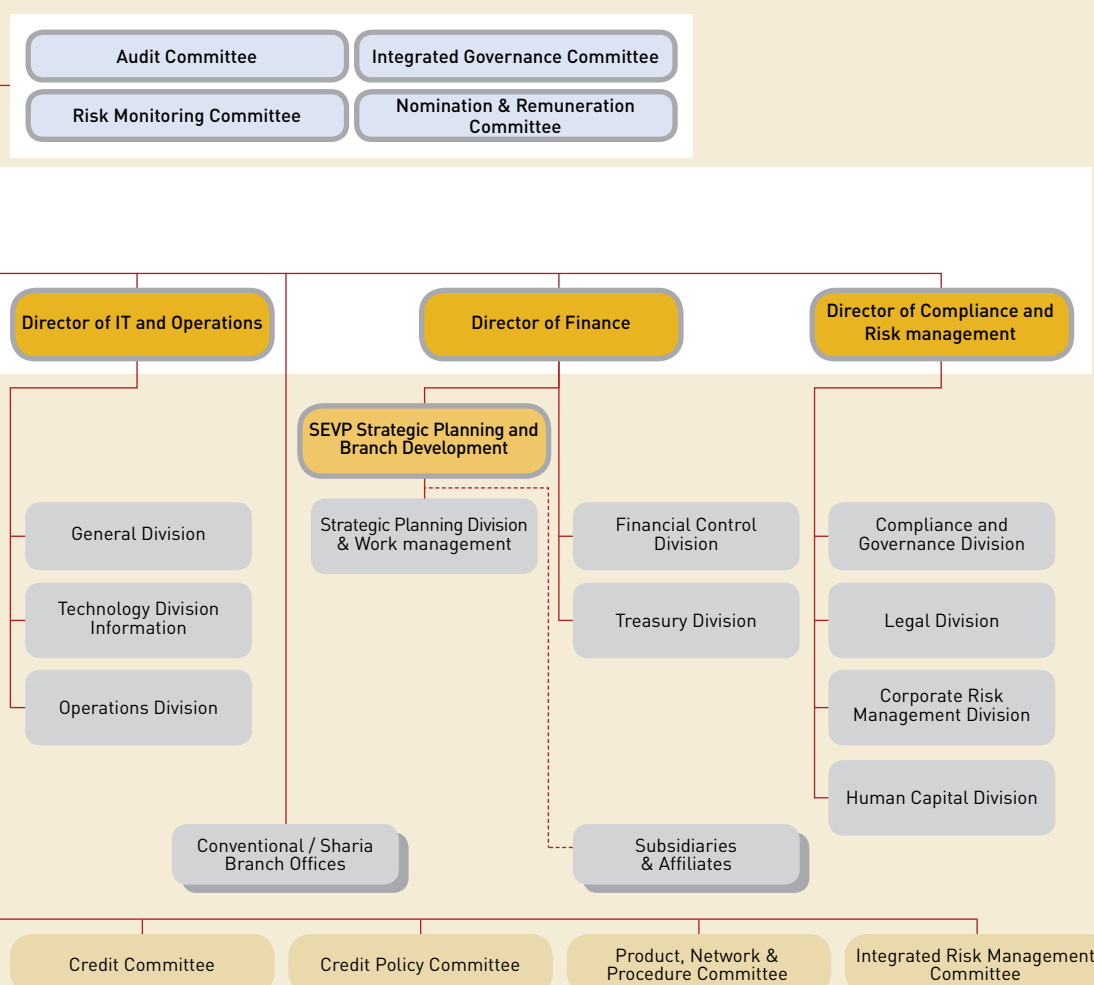
Business services included Bank Reference, National Clearing, Real Time Gross Settlement (RTGS), Rupiah Collection, Foreign Currency Collection, Cash Out, BPD Net Online, East Java Electronic Transfer System (JETS), Western Union and Remittance Transactions. Meanwhile, Institutional Services included Tax Services, Bill Payment, Payroll Salaries and Trade Transaction Services. Sharia Financing Products included general financing, KPT iB Griya Barokah, KPR Sejahtera, Multipurpose Sharia, Gold iB Barokah, Gold Metal Ownership, Linkage Program, Umroh iB Maqbullah, iB Barokah Property Construction Working Capital Financing, iB Barokah Land Procurement Financing, Financing Working Capital for the Presidential Decree iB Barokah, Financing with iB Barokah Bound Investment Collateral (ITIB), iB Barokah Accounts Receivable Financing (Factoring), Syndicated Financing, Employee and Personal Financing and Bank Guarantee. Whereas, sharia products and services included Amanah Giro, Barokah Savings, Hajj Amanah Savings, Save iB, Sempel iB Savings, iB Amanah Umroh Savings, Barokah Sejahtera Savings Program, iB Barokah Plan Savings, Barokah Deposits, Bancassurance Business Reference Models, Virtual Accounts, Payment Points, E-Channels (SMS Banking, Mobile Banking, and Internet Banking), and iB Barokah Waqf.

Work Network and Office Network

As of November 2020, Bank Jatim owned 1 Head Office and 1,806 office networks. Office Network details included 1 Head Office, 48 Branch Offices, 172 Sub-Branch Offices, 209 Cash Offices, 256 Payment Points, 777 ATMs, 27 CRM, 98 Mobile Cash, 195 Office Channeling.

Organizational Structure

The organizational structure of Bank Jatim had several changes. The last change in organizational structure occurred on June 17, 2019 based on the Decree of the Board of Directors No. 058/158/DIR/PRS/KEP dated June 17, 2019.



Human Resources

The number of Bank Jatim employees as of December 2020 was 4,120 people. The details of employee education for 2020 are as follows:

Table of Number of Employees Based on Education Level

(in person)

Level of education	2020	2019
Non Strata	565	568
S1	3.350	3.462
S2	204	207
S3	1	1
Total	4.120	4.238

In 2020, Bank Jatim organized competency development. This competency development was expected to have a major impact on the achievement of Bank Jatim business performance and which was absolutely needed by employees in carrying out their duties / jobs. During 2020, the Bank enrolled employees in education according to their positions and needs with a total of 2,169 participants.

Information Technology

Until 2020, Bank Jatim innovated and invested in technology so that it could remain competitive in the era of the industrial revolution 4.0. Currently, several products and services had been launched to make services easier for the public, namely:

- To facilitate services to customers:
 - Smart Practice
 - Virtual Account
 - Jatim Kilat
 - E-KMG
 - Peer to Peer Lending Host To Host With Amarthia Fintech
 - Apps for general Customers (Mobile Banking, Internet Banking, QRIS, ATM-CRM, EDC, and Digital Lounge)
 - Apps for Government (Regional Financial Electronification Monitoring Application (eKD), e-Marketplace, e-Tourism, e-Retribution, and e-Bansos).
- To optimize business processes:
 - ATM Monitoring
 - Server virtualization
 - Core Switch DC - DRC
- For Strengthening IT Security
 - Log Management System
 - Upgrading Load Balancer
 - Two Factor Authentication & VPN Concentrator

The information technology architecture of Bank Jatim showed that business functions were supported by various applications which were grouped into:

- Core Banking System;
- Bank Delivery System;
- Reporting System; dan
- Support System

To meet reporting needs, a Data Warehouse system was provided. To anticipate the need for faster business analysis in the future, the architecture was possible to be equipped with BI (Business Intelligence) facilities.

Analysis of Bank Performance

In the midst of challenging economic conditions, especially due to the COVID-19 pandemic that hit in 2020, the Board of Directors had been able to run the Bank's business well. The Bank's performance was influenced by various factors, particularly macroeconomic conditions. In this analysis of the bank's performance, the economic conditions that directly impacted the Bank's performance would be presented, the strategic policies implemented by the Bank, the comparison between the results achieved and the targets, as well as the constraints faced by the Bank and the steps for resolving them.

Macro Economic Review

2020 was faced with the COVID-19 pandemic conditions which affected global economic conditions. The global economy throughout 2020 experienced several improvements. The IMF took accommodative measures to protect society, the economy and the financial system. However, the prospects for economic recovery were still very uncertain and very much dependent on handling the COVID-19 pandemic.

Global stock markets also started to experience recovery, especially in China and America, which were driven by the technology sector, while the slowdown was still driven by sectors requiring intensive contact, such as the hotel, restaurant and leisure industries. Meanwhile, the energy and financial sectors were still considered vulnerable.

In line with the global economy, the national economy had also been affected by the COVID-19 pandemic. Although the realization of national economic growth in the fourth quarter of 2020 was still at -2.19% (YoY), a number of economic indicators indicated ongoing improvement, such as increased export-import activity, improved manufacturing PMI, and maintained sales and consumer expectations. In terms of inflation, the realization of Indonesia's 2020 inflation rate was 1.68%. This figure was far below the estimate of Bank Indonesia, which was targeted to be in the 2% - 4% range. Inflation performance throughout 2020 was greatly influenced by low demand due to the uncontrolled COVID-19 pandemic which affected people's purchasing power and economy.

In line with the global and national economy, various accommodative policies in order to reduce the impact of COVID-19 were not sufficient to encourage consumption and increase people's purchasing power during a pandemic. Banking industry activity throughout 2020 was classified as quite restrained due to weak demand for credit as reflected in the slower performance of credit growth in the banking sector, which grew -2.41% (YoY) compared to the previous year which grew by 6.08% (YoY), although TPF grew significantly, namely by

13.08% (YoY) compared to the previous year's growth of 6.54% (YoY). This caused the bank intermediation performance to decline to 82.24%, lower than the previous period, namely 93.68%.

Based on economic and industrial analysis, Bank Jatim targeted TPF and credit in 2020 of IDR 63.92 trillion and IDR 41.42 trillion, respectively. With regard to deposits and credit, the basic lending rates for 2020 could be determined as follows:

Table of Credit Base Interest Rate

Bank Jatim Basic Credit Interest Rate as of December 2020				
Based on Business Segments				
Corporate Credit	Retail Credit	Micro Credit	Consumption Credit	
			KPR	Non KPR
6,16%	7,17%	11,82%	7,43%	8,89%

In addition, Bank Jatim also set interest rates for competitive and competitive savings deposits and current accounts which are presented as follows:

Table of Savings Interest Rates as of December 2020

(in %)

Tier	Interest rate
SIMPEDA	
0 - < IDR250 thousand	0,00%
IDR250 thousand - < IDR7,5 million	1,00%
IDR7.5 million - < IDR100 million	1,25%
≥ IDR100 million	1,50%
SIKLUS	
0 - < IDR500 thousand	0,00%
IDR500 thousand - < IDR7,5 million	1,00%
IDR7.5 million - < IDR100 million	1,25%
IDR100 million - < IDR1 billion	1,50%
≥ IDR1 billion	1,75%
SIKLUS CERIA	
The Interest Plus cycle (Tenor 1 - 60 months)	
Gadgets / Electronics Gifts, Motor Vehicles, Others	3.50% goods and 0.50% interest at the end of the period
SIKLUS MIKRO KECIL (SIUMI)	
0 - IDR500 thousand	0,00%
> IDR500 thousand	1,50%
SIKLUS NELAYAN (SiNyal)	
0 - IDR500 thousand	0,00%
> IDR500 thousand	0,50%
HAJI	
All Nominal	1,00%
TABUNGANKU	
0 - IDR500 thousand	0,00%
> IDR500 thousand - IDR 1 million	0,25%
> IDR1 million	1,0%
SIKLUS PRIORITAS	
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
SIMPANAN LAKU PANDAI	
All Nominal	0,50%
SIKLUS VALAS	
USD	
< USD100	0,05%
≥ USD100 < USD10.000	0,10%
≥ USD10.000 < USD50.000	0,20%
≥ USD50.000 < USD100.000	0,25%
≥ USD100.000	0,30%
SGD	
< SGD100	0,00%
≥ SGD100 < SGD10.000	0,15%
≥ SGD10.000 < SGD100.000	0,25%
≥ SGD100.000	0,50%
EUR	
0 - EUR300	0,00%
> EUR300	0,10%
JPY	
All Nominal	0,00%
HKD	
All Nominal	0,00%

Table of Time Deposit Interest Rates as of December 2020

Tier	Tenor (month)						
	1 Month	2 Month	3 Month	6 Month	12 Month	18 Month	24 Month
≥ IDR2.5 million – IDR1 billion	4,00% pa	4,00% pa	4,25% pa	4,25% pa	4,25% pa	4,25% pa	4,25% pa
> IDR 1 billion	4,25% pa	4,25% pa	4,50% pa	4,25% pa	4,25% pa	4,25% pa	4,25% pa

Table of Foreign Exchange Interest Rates as of December 2020

Tier	Tenor (Month)			
	1 Month	3 Month	6 Month	12 Month
USD				
<100.000	0,50% pa			
≥100.000 *)	0,60% pa			
SGD				
≥ SGD1.000	0,10% pa			
EUR				
≥ EUR750	Each placement must be approved by the authorized Division			
JPY				
≥ JPY100.000	Each placement must be approved by the authorized Division			
HKG				
≥ HKD7.500	Each placement must be approved by the authorized Division			

*) Above the counter rate, the branch requested Head Office approval

Table of Current Account Rate as of December 2020

Tier	Interest rate
RUPIAH	
IDR0 - IDR5 million	0,00%
> IDR 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%
FOREIGN EXCHANGE	
USD forex demand deposits	
Individual >USD10.000	0,25%
Company >USD25.000	0,25%
SGD forex demand deposits	
<SGD1.000	0,00%
>SGD1.000- 20.000	0,15%
>SGD20.000	0,25%
EUR forex demand deposits	
EUR	0,10%
JPY forex demand deposits	
JPY	0,00%

Strategic Policy

In facing economic and industrial conditions, the Board of Directors formulated a strategic focus applied to achieve sustainable business growth as follows:

1. Increasing in fee-based income through intensification of sales of bancaassurance products, increasing collaboration with other companies in East Java so that they could provide comprehensive solutions to corporate customers and intensify sources of income from treasury transactions.
2. Increasing cross selling activities for products and services with increased e-channel penetration. Increasing collaboration and synergy between business lines starting from the process of opening customer accounts and increasing the use of Customer Relationship Management (CRM).
3. Continuing the process of aligning target segments for top corporate credit customers after the COVID-19 pandemic while still paying attention to the bank's risk appetite and would focus on the productive and retail sector businesses by balancing productivity and risk factors, MSME credit customers by implementing a partnership strategy with local governments (Pemda) or City Government (Pemkot) by exploring the potential of MSMEs in East Java, consumer credit customers through credit penetration to civil servants or private employees based on payroll and segments would focus on businesses with high levels of profitability.
4. Continuing the branch office transformation process:
 - a. Alignment of business models at branch offices with the Bank's target segments.
 - b. Continuing the process of accelerating transformation initiatives to increase productivity.
 - c. Improving sales planning activities at the branch level.
5. Striving to maintain the net interest margin level (NIM) by ensuring that the re-pricing of the loan portfolio was carried out correctly and on time. In addition, there would be a review of the existing business model to ensure that it was compatible with the latest industry conditions.
6. Tightening credit approval procedures and implementing new approval limits and matrices to ensure tighter controls and intensive monitoring of existing portfolios, as well as intensifying the implementation of early warning (Early Alert Mechanism and Watchlist Policy) on the loan portfolio, which became an early warning system with raise the standard of early warning as the main defense mechanism.
7. Closing the monitoring of the non-performing loan restructuring program and the performance of the recovery program.
8. Improving and accelerating credit processing with measurable time but still referred to risk-based services and prudent principles.
9. Implementation on an ongoing basis for:
 - a. Corporate Culture as the Bank's effort to continue to survive in the midst of an increasingly competitive business climate.

- b. Risk culture, to raise awareness and change in behavior of all employees regarding the risks inherent in each of the bank's business and operational activities, as an effort to minimize risk in all elements of the company so as to support optimal performance and business growth.
- c. Compliance Culture, which contained values, behavior and actions that supported the creation of compliance with compliance with regulations and laws. "Tone at the top" to showed a commitment to the issues of openness, integrity and honesty as well as ethical behavior which was necessary to create a control environment.
- d. Service culture, a customer centric phenomenon aimed at exceeding customer expectations and creating superior customer value through developing customer service competencies.
- e. Marketing culture, every employee was a marketer who had to be given training and had a good knowledge of the product and also the company's target. The spirit as a marketer had to exist in all employees, not only being marketers but had to understand that customers were the main target.

Company Performance Analysis

Based on the strategy that had been implemented, in 2020 Bank Jatim produced good performance as targeted. The analysis of the Bank's performance is presented as follows.

Operational and Financial Performance

In the midst of economic conditions that had not improved, Bank Jatim's performance in 2020 gave good results. From the operational side, Total Corporate and Syndicated Medium Loans in 2020 reached IDR9,949 billion, an increase of 11.90% compared to 2019 which reached IDR8,711 billion. Total Consumer Credit in 2020 reached IDR 25.95 trillion, an increase of 5.24% compared to 2019 which reached IDR24.66 trillion. In 2020, Bank Jatim managed to distribute IDR4,173 billion, an increase of IDR594 billion or 16.61% compared to 2019, which reached IDR3,578 billion for Micro, Retail and Program Loans. As of December 31, 2020, the number of productive credit debtors for the Micro, Retail, and Bank Jatim Program segments was recorded at 86,262 debtors, an increase of 39,063 debtors or 82.80% from 47,188 debtors in 2019.

Bank Jatim third party funds also experienced an increase in 2020. Total Savings in 2020 reached IDR22,286 billion, an increase of 2.84% compared to 2019 which reached IDR 21,669 billion. Time deposits in 2020 reached IDR23,317 billion, an increase of 72.59% compared to 2019 which reached IDR 13,509 billion. In addition to other services, Bank Jatim also increased from treasury and custodian. In 2020, the treasury business experienced an increase with a portfolio increase of 14.15% from IDR29,707 billion in 2019 to IDR33,911 billion in 2020. The total assets under custody in 2020 reached IDR1.49 trillion, an increase of 18,525% compared to in 2019 which reached IDR8.00 billion.

From the sharia segment, Realization of funding in 2020 reached IDR1,826,435 million, an increase of IDR180,927 million or 11.00% compared to 2019 reaching IDR1,645,507 million while CASA funds increased by IDR19,665 million or 2.90% compared to the year 2019 amounting to IDR678,423 million. The growth in the number of funding was followed by an increase in the number of customers, where as of December 31, 2019, the number of funding customers of UUS Bank Jatim was recorded to have grown from 198,913 customers in 2019 to 218,335 customers in 2020, an increase of 19,422 customers or 9.76% compared to 2019. The amount of realized financing in 2020 reached IDR1,607,359 million, an increase of IDR205,526 million or 14.66% compared to 2019 which reached IDR1,401,833 million.

This good achievement is also seen from the financial side. Interest and Sharia Net Income in 2020 reached Rp4,057,270 million, an increase of 1.44% compared to the previous year which reached Rp3,999,601 million. Profit for the Year in 2020 reached IDR 1,488,962 million, an increase of 8.17% compared to the previous year which reached IDR 1,376,505 million. With the increase in the Company's current year profit, the Company's equity has also increased. Equity in 2020 amounted to IDR10,004,948 million, an increase of 10.90% compared to the previous year which amounted to Rp9,021,558 million. Total assets of Bank Jatim in 2020 amounted to IDR 83,619,452 million, an increase of 8.94% from 2019 which amounted to IDR 76,756,313 million.

Comparison between Results Achieved and Targeted

By implementing the strategy above, in economic conditions in the midst of this pandemic, Bank Jatim's performance in 2020 has met the expectations of stakeholders as seen from the achievement of the targets that have been set. The achievement of total assets succeeded in exceeding the target of 110.39%. In line with this, deposits from customers and deposits from other banks also succeeded in exceeding the target of 114.24% and 503.57%, respectively. Loans and also succeeded in exceeding the target of 100.16%. In terms of interest income, it was slightly below the target set at 96.64%. Even so, the profit for the year managed to exceed the target set at 106.56%.

Constraints Faced by The Bank and Completion Measures

In carrying out its operational activities, Bank Jatim also faced with various obstacles. These constraints included the inadequate infrastructure of information technology-based products and services in accommodating the development of the banking business and digitizing business processes as well as inadequate marketing strategies and activities. To overcome these obstacles, Bank Jatim invested in technology so that it could remain competitive in the era of the industrial revolution 4.0. Another obstacle was the quality of human resources that

was not optimal, so Bank Jatim implemented a strategy to continue the process of accelerating transformation initiatives to increase productivity.

Analysis of Business Prospects

Global economic activity was predicted to continue to increase, supported mainly by China and the United States, as well as a number of developed countries such as Europe and Japan, as indicated by improvements in a number of early economic indicators at the end of 2020, as well as social and geopolitical conditions following the new United States leadership period. On this basis, the World Bank in its January 2021 edition of the World Economic Outlook (WEO) predicted that global economic growth would move in a more optimistic direction in 2021. The global economy was estimated to grow 5.5%, better than the prediction in WEO October 2020 in which the global economy was estimated to grow by 5.2%.

Various policy stimuli, the implementation of the National Economic Recovery (PEN) program, the implementation of the Job Creation Law, the implementation of vaccinations that had been started since early January 2021, as well as the strict discipline of health protocols in various regions in Indonesia, were expected to encourage increased economic activity and increased consumption and investment that will drive the national economy going forward.

With various estimates of global and national economic conditions as well as the banking industry, Bank Jatim had the opportunity to grow. The opportunities owned by Bank Jatim included the following:

- There is still a large market share for Bank Jatim, especially for civil servants.
- The high population of millennial residents who are internet and e-commerce users.
- Synergy and collaboration with the government and other financial/non-financial industries.
- Development of supporting infrastructure for economic development in East Java Province, which is still the main focus in addition to the focus on health and social issues.
- The potential for local taxpayers is still high.

Based on the assumptions outlined above along with various opportunities, Bank Jatim is optimistic to be able to continuously improve its performance. In other words, Bank Jatim owns good business prospects. Bank Jatim's strengths in facing challenges and business prospects are presented as follows:

- Support for shareholders, both the Provincial Government and the Regency / City Government.
- Relatively high resilience and capital adequacy of the Bank.
- Captive market ownership and accessibility of government spending in East Java Province.
- Bank Jatim network coverage which spreads to almost all sub-districts in East Java Province.
- Collaboration with various parties, such as fintech and BPR.

Good Corporate Governance Application

In its business activities, Bank Jatim committed to implementing good corporate governance (GCG). By implementing good corporate governance (GCG) practices, the Bank always complied with laws and regulations as well as applicable regulations. In order to improve the implementation of Bank Jatim governance in a sustainable manner, Bank Jatim conducted an assessment of the implementation of governance that had been done.

The Bank had corporate organs that had been running effectively, consisting of the General Meeting of Shareholders (GMS), the Board of Commissioners and the Board of Directors. The management system adopted a two-tier system, namely the Board of Commissioners and the Board of Directors, which had clear powers and responsibilities according to their respective functions as mandated in the Articles of Association and laws and regulations. Bank Jatim also owned 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 General Meeting of Shareholders (GMS) of the Company consisted of the Annual GMS and Extraordinary GMS. During 2020, the Bank held an annual GMS at a time that did not exceed the stipulated limit, namely no later than 6 (six) months after the Company's financial year was closed. In addition, in 2020 the Bank also held an Extraordinary GMS which was held on July 23, 2020.

The Board of Commissioners became the Company's organ whose job was 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 was responsible to the GMS in terms of overseeing the policies of the Board of Directors regarding the Company's operations in general which referred 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 was a manifestation of the supervisory accountability for the management of the Business Entity in the implementation of the principles of good governance.

The Board of Directors was an organ of the company that was 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. 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 were as follows:

- The Board of Directors was 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.
- Each member of the Board of Directors had to carry out his duties and responsibilities in good faith, full of responsibility and prudently.

3. Each member of the Board of Directors was jointly and severally responsible for the Company's losses caused by the fault or negligence of the members of the Board of Directors in carrying out their duties.
4. Members of the Board of Directors could not be held responsible for the Company's losses if they could prove:
 - a. The loss was not due to his fault or negligence.
 - b. Had 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. Had no conflict of interest, either directly or indirectly, over management actions that result in losses.
 - d. Had taken steps to prevent the loss from arising or continuing.
4. Regarding stakeholder participation, Bank Jatim conducted several steps, as follow:
 - a. Bank Jatim had a policy to prevent insider trading.
 - b. Bank Jatim had several policies related to Corruption Prevention.
 - c. Bank Jatim had a policy on the procurement of goods and services.
 - d. Bank Jatim had a whistleblowing system policy.
 - e. Bank Jatim had a policy of providing long-term incentives to Directors and employees.
5. Regarding information disclosure, Bank Jatim made wider use of information technology in addition to the Bank Jatim website, namely, Youtube, Instagram, Facebook, and Twitter.

The implementation of Bank Jatim governance could be seen from the implementation of the following aspects of corporate governance:

1. The relationship between Bank Jatim and Shareholders in guaranteeing the rights of Shareholders is carried out by:
 - a. Bank Jatim had rules for the General Meeting of Shareholders (GMS).
 - b. At the 2020 GMS, all members of the Board of Directors and the Board of Commissioners were present.
 - c. Minutes of the AGMS and EGMS in Indonesian and English were available on the website and could be downloaded until the 2019 financial year.
 - d. Bank Jatim had a Communication Policy with shareholders or investors as stipulated in the Decree of the Board of Directors number 056/209/DIR/CSE/KEP regarding BPP Investor Relations.
2. Regarding the function and role of the Board of Commissioners, Bank Jatim has implemented:
 - a. The appointment of members of the Board of Commissioners of Bank Jatim considered the conditions of the Public Company.
 - b. The Board of Commissioners had a self-assessment policy to assess the performance of the Board of Commissioners.
 - c. The Guidelines for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk were disclosed in the annual report.
 - d. The succession policy in the Nomination process for members of the Board of Directors.
3. In relation to the functions and roles of the Board of Directors, Bank Jatim implemented:
 - a. The 7 (seven) members of the Board of Directors considered the conditions of the Public Company.
 - b. The composition of the members of the Board of Directors considered the diversity of expertise, knowledge and experience required.
 - c. The Board of Directors had a self-assessment policy to assess the performance of the Board of Directors.
 - d. Guidelines for the Performance Assessment of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk were disclosed in the annual report.

To evaluate the implementation of GCG in the Bank, the Bank conducted GCG Assessment periodically in accordance with the provisions of SEOJK 13/SEOJK.03/2017 dated March 17, 2017 concerning the Implementation of Good Corporate Governance for Commercial Banks. The assessment was carried out in the first and second semesters, namely in June and December 2020. The results of the assessments in the first and second semesters were ranked 3 (three).

Performance Assessment of Committees Under The Board of Directors

During 2020, the Board of Directors assessed that the committees under the Board of Directors have carried out their duties and responsibilities properly.

Asset Liability Committee (ALCO)

ALCO was a committee for decision making on assets and liabilities for the purposes outlined, a forum called the Asset Liabilities Committee (ALCO) was needed. In order to reduce and eliminate risks that occurred 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 were required. Cooperation will be successful if each decision maker knows his role and the impact of his decision on overall business profits. During 2020, the ALCO committee held 14 (fourteen) 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 2020, the Risk Management committee held 4 (four) 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 2020, the ALCO committee held 14 (fourteen) meetings.

Information Technology Steering Committee (ITSC)

part of IT governance in providing recommendations, the committee had to pay attention to the efficiency factor of the 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 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 played 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. During 2020, the ALCO committee held 1 (one) meeting.

Credit Committee

Conventional Credit Committee

Credit Committee was an operational committee formed by the Board of Directors to evaluate and/or provide credit decisions for the amount and type of credit set by the Board of Directors with due observance to business development without abandoning prudential principles including restructuring and credit settlement.

- Credit Implementation Committee
During 2020, the Credit Implementation Committee held 66 (sixty-six) meetings.
- Credit Rescue Committee
During 2020, the Credit Rescue Committee held 141 (one hundred and forty-one) meetings.
- Credit Settlement Committee
During 2020, the Credit Rescue Committee carried out its duties and responsibilities.

Financing Committee

The operational committee was 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 considering business development without abandoning prudential principles including restructuring and financing settlement.

- Financing Implementation Committee
During 2020, the Financing Implementation Committee held 11 (eleven) meetings.
- Financing Rescue Committee
During 2020, the Financing Rescue Committee held 47 (forty-seven) meetings.
- Financing Settlement Committee
During 2020, the Financing Settlement Committee carried out its duties and responsibilities..

Credit Policy Committee

The Credit Policy Committee was a committee formed by the Board of Directors in the framework of managing credit policy which aimed to support sound credit distribution and

contain 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. During 2020, the Conventional Credit Policy Committee and the Financing Policy Committee had carried out their duties and responsibilities.

Product, Network and Procedure Committee

PJP Committee for Product

The Product Sector Committee was a committee formed by the Board of Directors to take steps to develop products / activities, both in the retail and in corporate segments, which could improve the Bank's ability to compete and develop in the banking world. During 2020, the Product Sector PJP committee held 1 (one) meeting.

PJP Committee for Networking

The Network Committee had the role of compiling 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 functioned as a forum for managing policies and monitoring effectiveness of the Bank's network to ensure success in creating optimal profits. During 2020, the Network Sector PJP committee held 5 (five) meetings.

PJP Committee on Procedures

The PJP Committee on Procedures was a committee formed by the Board of Directors to evaluate and recommend the issuance or update of the Bank's Policy and Procedure Book so that the Implementation Guidelines (BPP) used as the company's work guidelines did not deviate and comply with the provisions. During 2020, the PJP Committee for Procedures held 27 (twenty-seven) meetings.

Integrated Risk Management Committee

In order to implement a comprehensive and effective Integrated Risk Management, the Bank issued a decision regarding the establishment of the Integrated Risk Management Committee for Financial Conglomerates Decree of the Board of Directors Number 053/306/KEP/DIR/MR concerning the Establishment of the Integrated Risk Management Committee (KMRT) on December 31, 2015. In 2020, the Integrated Risk Management committee carried out its duties and responsibilities.

Other than assessing the performance of the Committees under the Board of Directors, the Board of Directors also assessed the performance of all Units under the Board of Directors. Performance assessment for the Corporate Secretary, Internal Audit and Risk Management Division was carried out based on the achievement of the Key Performance Indicator (KPI) of each unit. In 2020, the achievement of the KPI for the Corporate Secretary, Internal Audit and Risk Management Division received the title of **Meet Expectation or Good**.

Changes in Board of Directors Composition

Throughout 2020, there was 1 (one) change in the composition of the Board of Directors as described below.

Composition and Basis for Appointment of The Board of Directors Before Annual GMS for Fisual Year 2019

The composition of the Board of Directors of Bank Jatim before the Annual General Meeting of Shareholders for the Financial Year 2019 was 7 (seven) people consisting of 1 (one) President Director who was still in the fit and proper test period by the FSA, 1 (one) Board of Directors who was still in the fit and proper test period by FSA and 5 (five) Directors.

Name	Position	Basic Appointment	Effective date
Hadi Santoso	President Director	Extraordinary GMS on June 19, 2019	*)
Busrul Iman	Director of Commercial and Corporate	Extraordinary GMS on June 19, 2019	October 11, 2019
Elfaurid Aguswantoro	Director of Consumer, Retail and Sharia Business	Extraordinary GMS on June 19, 2019	**)
Rizyana Mirda	Director of Business Risk	Extraordinary GMS on June 15, 2017	September 29, 2017
Tonny Prasetyo	Director of IT and Operations	Extraordinary GMS on June 19, 2019	October 11, 2019
Ferdian Timur Satyagraha	Director of Finance	Extraordinary GMS on June 15, 2017	December 22, 2017
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Extraordinary GMS on June 19, 2019	October 11, 2019

*) Based on a copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority Number KEP-188/D.03/2019 dated October 11, 2019 concerning the Results of the Fit and Proper Test for Mr. Hadi Santoso as the President Director of PT Bank Pembangunan Daerah Jawa Timur Tbk, the Authority's decision was obtained. Financial Services that Mr. Hadi Santoso was not approved to become the Company's President Director.

**) Based on a copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority Number KEP-192/D.03/2019 dated October 11, 2019 concerning the Results of the Fit and Proper Test for Mr. Elfaurid Aguswantoro as Director of Retail Consumer and Sharia Business of PT Bank Pembangunan Daerah Jawa Timur Tbk, it was obtained the decision of the Financial Services Authority that Mr. Elfaurid Aguswantoro was not approved as Director of Retail Consumer and Sharia Business of the Company.

Composition and Basis of Board of Directors Appointment After Annual GMS For Fiscal Year 2019

Through the Annual GMS for the 2019 Fiscal Year which was held on April 24, 2020, the GMS decided to cancel the appointment of Mr. Hadi Santoso (President Director) and Mr. Elfaurid Aguswantoro (Director of Consumer, Retail and Sharia Business) so that the composition of the Board of Directors of Bank Jatim after the Annual General Meeting of Shareholders for the 2019 Financial Year had 5 (five) Directors.

Name	Position	Basic Appointment	Effective date
Busrul Iman	Director of Commercial and Corporate	Extraordinary GMS on June 19, 2019	October 11, 2019
Rizyana Mirda	Director of Business Risk	Extraordinary GMS on June 15, 2017	September 29, 2017
Tonny Prasetyo	Director of IT and Operations	Extraordinary GMS on June 19, 2019	October 11, 2019
Ferdian Timur Satyagraha	Director of Finance	Extraordinary GMS on June 15, 2017	December 22, 2017
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Extraordinary GMS on June 19, 2019	October 11, 2019

Composition and Basis of Board of Directors Appointment After The Extraordinary GMS of 2020

In accordance with the Extraordinary GMS of 2020 which was held on July 23, 2020, the GMS decided to appoint Mr. Busrul Iman as President Director. Thus, the composition of the Board of Directors of Bank Jatim after the Extraordinary GMS in 2020 had 5 (five) Directors consisting of 1 (one) President Director and 4 (four) Directors. All Directors were domiciled in East Java Province.

Name	Position	Basic Appointment	Effective date
Busrul Iman	President Director	Extraordinary GMS on July 23, 2020	July 23, 2020
Rizyana Mirda	Director of Business Risk	Extraordinary GMS on June 15, 2017	September 29, 2017
Tonny Prasetyo	Director of IT and Operations	Extraordinary GMS on June 19, 2019	October 11, 2019
Ferdian Timur Satyagraha	Director of Finance	Extraordinary GMS on June 15, 2017	December 22, 2017
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Extraordinary GMS on June 19, 2019	October 11, 2019

Closing

The Board of Directors would like to thank the Board of Commissioners for being an important part of the course of Bank Jatim's business activities in the 2020 Financial Year. Supervision and advice conveyed by the Board of Commissioners also provided policy direction taken by management. The Board of Directors also gave the highest appreciation for the trust, commitment and cooperation of all stakeholders, all shareholders, customers and business partners as well as the management team and all employees who worked hard in the midst of quite challenging challenges, especially the impact of the COVID-19 pandemic.

We hope that the cooperation that has existed so far is well maintained and continues to make a positive contribution to the sustainable management of the Bank.

Surabaya, April 2021

On behalf of the Board of Directors



Busrul Iman
President Director

— Responsibility of 2020 Annual Report

We, the undersigned, state that all information in the 2020 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, April 2021

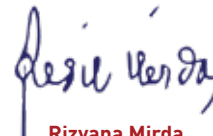
Board of Directors



Busrul Iman
President Director



Ferdian Timur Satyagraha
Director of Finance



Rizyana Mirda
Director of Business Risk



Tonny Prasetyo
Director of IT and Operations



Erdianto Sigit Cahyono
Director of Compliance and Risk Management

Board of Commissioners

A stylized blue ink signature consisting of several loops and a long horizontal stroke at the end.

Akhmad Sukardi
President Commissioner

A blue ink signature with a large, sweeping 'H' shape followed by a smaller 'T' and a final upward stroke.

Heru Tjahjono
Commissioner

A blue ink signature featuring a large, rounded 'B' shape with a horizontal line extending to the right.


Budi Setiawan
Commissioner

A black ink signature with a large, circular 'C' shape followed by a few loops.

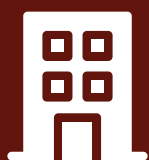
Candra Fajri Ananda
Independent Commissioner

A black ink signature consisting of a large, stylized 'R' shape.

Rudi Purwono
Independent Commissioner

A black ink signature with a large, circular 'M' shape followed by a horizontal line.

Muhammad Mas'ud
Independent Commissioner



Company Profile



As of December 31, 2020, Bank Jatim has 1 Head Office and 1,806 office networks consisting of Branch Offices, Sub-Branch Offices, Cash Offices, Payment Points, MobilCounter Cash, ATMCRM, and Office Channelling.





Corporate Identity

Company name
PT Bank Pembangunan Daerah Jawa Timur Tbk

Nick name
Bank Jatim

Business fields
Finance



Date of Establishment
August 17, 1961

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



Ownership
East Java Provincial Government (51.13%)
38 District/City Government (28.35%)
Society (20.52%)

Authorized capital
IDR9.000.000.000.000



Issued and fully deposited capital
A total of 15.015.498.082 shares with a par value of IDR3.753.874.520.500

Listing on the Indonesia Stock Exchange
July 12th, 2012



Stock code
BJTM

SMS Banking
3366



Number of Employees
As of December 2020, 6,250 People
(including Outsourced Power)

Situs Web
www.bankjatim.co.id
www.bankjatim.id



Call Center
14044

Corporate Secretary
Glemboh Priambodo
Email: corsec@bankjatim.co.id



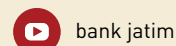
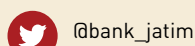
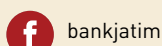
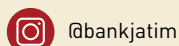
Headquarter Address
Jalan Basuki Rachmad 98 – 104,
Surabaya 60271

Office Network Data

1	Headquarters	209	Cash Office	27	CRM
48	Branch Offices	256	Payment Point	98	Car Cash
172	Sub-Branch Offices	777	ATMs	195	Office Channelling

Contact Address

Telp: (62-31) 5310090-5310099 | Fax: (62-31) 5310838 | Email: info@bankjatim.co.id



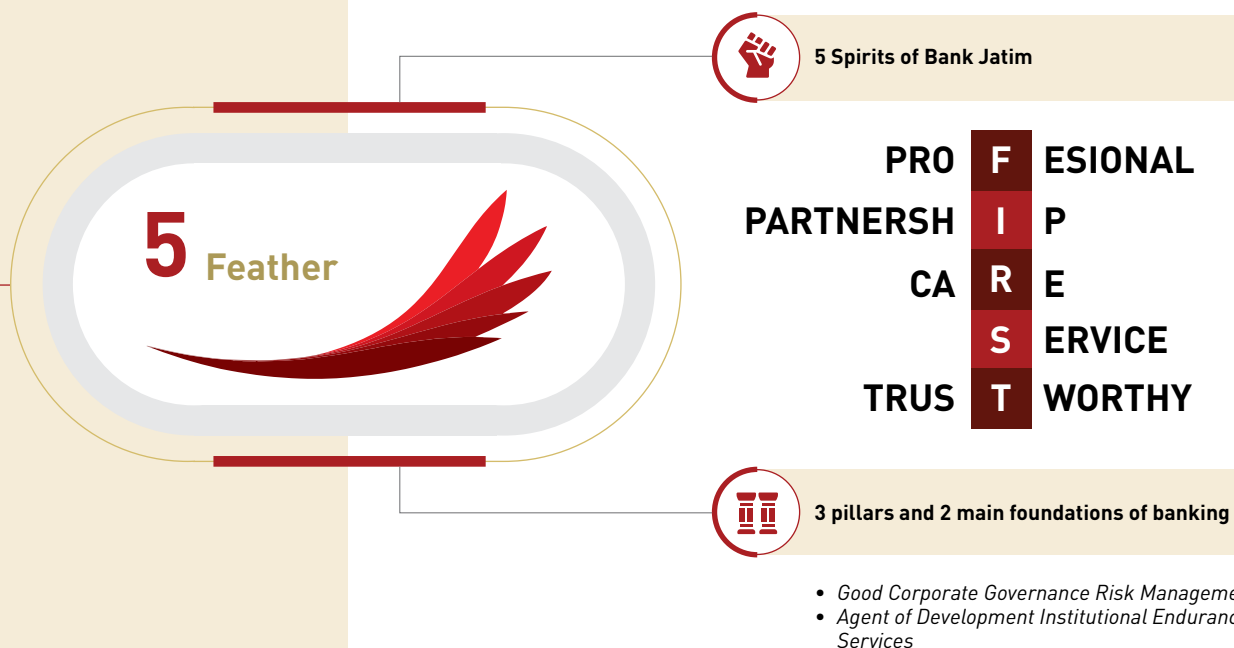
— Company Brand



LOGO MEANING

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.



— 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 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, 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 (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.

Here in after, the Articles of Associations has been amended, with the latest deed 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.01.03-0927645 dated April 27, 2015.

At the 2017 Extraordinary General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk based on Deed No. 43 dated 15 June 2017 made before the Notary Sitaresmi Puspawati Subianto SH, approval has been obtained to grant power to the Board of Directors of PT Bank Jatim to make changes and codification of the Company's Articles of Association.

Bank Jatim made several amendments to the Articles of Association based on the Deed of Meeting Decision Number 22 dated July 13 2017 drawn up before Siti Nurul Yuliami, Bachelor of Law, Master of Notary, Notary in Surabaya, who has received Notification Receipt from the Ministry of Law and Human Rights of the Republic Indonesia Number: AHU-AH.01.03-0153694 dated 18 July 2017.

At the 2018 Extraordinary General Meeting of Shareholders (GMS) PT Bank Pembangunan Daerah Jawa Timur Tbk based on Deed No. 47 dated June 26, 2018 made before Notary Sitaresmi Puspawati Subianto SH, approval had been obtained to grant power to the Board of Directors of PT Bank Jatim to make adjustments to Article 15 paragraph (4) and Article 18 paragraph (6) of the Articles of Association of PT Bank Jatim. Bank Jatim amended the Articles of Association to adjust to Article 15 paragraph (4) and Article 18 paragraph (6) of the Articles of Association based on the Deed of Decision of the Extraordinary General Meeting of Shareholders Number 92 dated July 24, 2018 made before Sitaresmi Puspawati Subianto SH, Notary at Surabaya which has received notification from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0226225 dated July 26, 2018.

At the Annual General Meeting of Shareholders (GMS) for the 2018 Financial Year of PT Bank Pembangunan Daerah Jawa Timur Tbk based on Deed No. 99 dated April 26, 2019 which was made before the Notary Sitaresmi Puspawati Subianto SH, approval was obtained to grant power to the Board of Commissioners to make capital adjustments in connection with the implementation of the Management Employee Stock Option Plan (MESOP) Program of PT Bank Jatim.

Bank Jatim amended the Articles of Association for capital adjustments related to the implementation of the PT Bank Jatim Management Employee Stock Option Plan (MESOP) Program based on the Deed of Restatement of Meeting Resolutions Number 55 dated 22 April 2020 drawn up 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-AH.01.03-0197642 dated April 23, 2020.

At the Annual General Meeting of Shareholders (GMS) for the 2019 Financial Year of PT Bank Pembangunan Daerah Jawa Timur Tbk based on Deed No. 67 dated April 24, 2020 made before the Notary Sitaresmi Puspawati Subianto SH, approval has been obtained to grant power of attorney to the Board of Directors of PT Bank Jatim to make adjustments to the company's articles of association by amending article 3 regarding the aims and objectives and business activities of PT Bank Jatim.

Bank Jatim amended the Articles of Association to adjust Article 3 of the Articles of Association based on the Deed of Restatement of Meeting Resolutions Number 175 dated May 20, 2020 drawn up 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 AHU-0040960.AH.01.02.TAHUN 2020 Dated June 16, 2020.

Description of Name Change

In accordance with a brief history description, Bank Jatim has changed its name 3 (three) times since it was first established, from its original name as PT Bank Pembangunan Daerah Jawa Timur to Bank Pembangunan Daerah Jawa Timur in 1976 on the basis of Regional Regulation No.2 of 1976 July 10, 1976. Then 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 5 May 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. Final change to the Bank's name, which was PT Bank Pembangunan Daerah Jawa Timur Tbk, was carried out in accordance with the Decree of Minister of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.10-31887 dated August 31, 2012, in which the Bank became a Public Company through the listing of 20% of its shares on the Indonesia Stock Exchange under BJTM ticker code.

— Line of Business

Business Activities According to Basic Budget and That are Performed

Bank Jatim conducts business in the banking sector in accordance with Article 3 of the Articles of Association based on the Deed of Statement of Meeting Resolutions Number 22 dated July 13 2017 made in the presence of Notary Siti Nurul Yuliami, SH, M.Kn who has received Notification Receipt from the Ministry of Law and Human Rights Republic of Indonesia Number: AHU-AH.01.03-0153694 dated 18 July 2017, which has been amended based on the Deed of Restatement of Meeting Resolutions Number 175 dated 20 May 2020 drawn up before Sitaresmi Puspawati Subianto, SH, Notary in Surabaya who has received Notification Receipt from the Ministry Law and Human Rights of the Republic of Indonesia Number AHU-0040960. AH.01.02.TAHUN 2020 dated 16 June 2020.

The purpose and objective of the Company is to carry out business in the field of financial and insurance 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:

1. 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;
2. Provide Credit;
3. Issue debt statements;
4. Purchase, sell, or guarantee on behalf of own risk or on the orders or interests of its customers:
 - Money orders, including those that have been accepted by bank of which the validity period is no longer than the conventional period applicable in the trading of relevant documents;
 - Statements of debt and other kinds of trade papers of which the validity period is no longer than the conventional period applicable in the trading of relevant documents;
 - State treasury papers and government guarantee letters;
 - Bank Indonesia Certificates (SBI);
 - Bonds
 - Timed trade papers in accordance with the prevailing laws and regulations;
 - Other timed securities instruments in accordance with the prevailing laws and regulations;
5. Transfer cash both for the interest of the Bank and of the customers;
6. Invest funds in, borrow funds from, or lend funds to other banks, either with a letter, means of telecommunication, money order, check, or other instruments;

7. Receive payments from receivables for securities and make calculations with or among third parties;
8. Place funds from one customer to other customers in a form of securities that are not listed on the stock exchange;
9. Conduct activities in foreign exchange and/or as a Foreign Exchange Bank by complying with the terms and conditions set by the authorized parties;
10. Provide financing and/or carry out other activities including those based on the sharia principles in accordance with the applicable provisions;
11. 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, bankjati also carries out the following supporting business activities:

1. Provide a safe place to store goods and securities;
2. Conduct entrustment activities for the benefit of other parties based on a contract;
3. 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;
4. Conduct factoring, credit card business, and trustee activities;
5. Perform capital investment in banks or other companies in the financial sector, including leasing, venture capital, and securities companies, as well as settlement and storage clearing institutions, or establish new companies insofar as they do not contradict the prevailing laws and regulations;
6. Perform temporary capital investment activities to overcome the consequences due to credit failures or financing failures, based on sharia principles, with the provision of withdrawing the investments in compliance with the applicable provisions;
7. Act as the founder of pension funds and manager of pension funds in accordance with the applicable pension fund regulations;
8. Provide technical assistance to Regional-Owned Enterprises (BUMD) within the East Java Provincial Government area as well as throughout East Java Districts/Cities, both in the form of Regional Companies and in the form of Limited Liability Companies (PT) in the context of cash and financial management;
9. Conduct other activities commonly carried out by banks insofar as they do not contradict the prevailing laws and regulations.

All business activities according to the Articles of Association have been carried out by the Bank.

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

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 foreign currency (USD) can be cleared anywhere (Intercity Clearing).

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 (USD)

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 Rp12.5 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 Rp250 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 lock-up 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 6 to 60 months.

HAJJ SAVINGS

Bank Jatim's Hajj 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, sub-branch offices, service offices, and cash offices.

Consumer Credit Products



MULTIGUNA (MULTIPURPOSE) CREDIT

Multiguna or Multipurpose Credit is the provision of credit or loans in the consumption sector and for other purposes, as long as they do not contradict the prevailing laws. This product is offered to members of the community with regular and other forms of income, including Civil Servants, Employees of the State-Owned Enterprises and Regional-Owned Enterprises, Employees of PERUMs, Educational Institutions, Members of National Army and National Police, private employees, national private companies, foreign private companies/joint ventures with PMA/PMDN status, Legislative members, employees of foundations and cooperatives, Prospective Civil Servants, and Prospective Employees of the State-Owned Enterprises and Regional-Owned Enterprises whose salaries are paid through Bank Jatim or not through Bank Jatim but with an MoU with Bank Jatim.

EMPLOYEE CREDIT & PERSONAL LOAN CAR ALLOWANCE PROGRAM

Credit facilities are provided for all purposes as long as they do not conflict with applicable general rules and regulations and the Personal Loan Car Allowance Program (CAP), which is used for the procurement of official vehicles with vehicle specifications according to the provisions of CAP Bank Jatim.

MOTOR VEHICLES LOAN

Purchase a vehicle that is used for consumptive and productive purposes (the vehicle will be used to support business operations) by attaching a Statement Letter stating that the purchase of the vehicle unit is to support business operations.

PROPERTY CREDIT

Property credit is a loan facility for consumption sector given by the Bank and is intended for the purchase of Landed Houses, Flats, Shop Houses, or Office Houses. This loan is offered to the community to finance mortgage from developers and non-developers.

Medium and Corporate Loans



POLA KEPPRES CREDIT

The Presidential Decree-Pattern Working Capital Credit is a working capital credit facility to a Contractor to complete a job based on a Work Contract with a certain ceiling where credit repayment comes from the payment of the Project termyn concerned.

STANDBY LOAN

Working Capital Standby Loan Credit is a working capital loan facility given to Contractors/Service Providers to increase working capital for the operational activity of government project that is carried out at present or in the future, of which the funds are sourced from State Budget (APBN), Regional Budget (APBD), Province/City/Regency, healthy SOEs and Regional-Owned Enterprises, and bona fide private companies, with certain limits that can be disbursed in a revolving manner per project or work contract. The settlement of loans shall be sourced from payment terms of the relevant project.

INSTALLMENT GENERAL WORKING CAPITAL CREDIT

Working Capital Loan Installment credit 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 CREDIT

Current account working capital credit 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 CREDIT

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 CREDIT

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 credit given to the debtors by 2 (two) or more Banks/Non-Bank 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.

LOANS 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 CREDIT

Receivable Financing credit 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.

CASH COLLATERAL CREDIT

This loan is guaranteed with cash collateral in the form of Deposits/Current Accounts/Bank Savings accounts.

REGIONAL GOVERNMENT CREDIT

This credit 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 credit 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 CREDITS

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

Micro, Retail and Program Credits



KREDIT PUNDI KENCANA

Credit is given to all productive businesses that are declared feasible based on sound banking and credit principles including trade, agriculture / plantation / fishery / livestock business, industrial business, service business, for other purposes, which according to the bank is feasible and can be accounted for.

KREDIT MIKRO LAGUNA

It is a credit given to micro businesses for business development so that they can increase into small and medium enterprises directly to individuals or business groups.

KREDIT LINKAGE PROGRAM BPR

It is a credit 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.

KREDIT USAHA RAKYAT (KUR)

It is a credit / 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 IDR 500 million guaranteed by the Guarantee Company and criteria for potential borrowers to receive KUR in accordance with Government regulations.

KREDIT USAHA PEMBIBITAN SAPI (KUPS)

It is a credit provided by executing banks to Cattle Breeding Business Actors who receive interest subsidies from the Government. Referred to as Cattle Breeding Business Actors are livestock companies, cooperatives, groups / associations of breeders that carry out cattle breeding businesses.

KREDIT KETAHANAN PANGAN DAN ENERGI (KKPE)

It is an 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.

WAREHOUSE RECEIPT CREDITS

It is a credit provided by the Bank for working capital needs and the source of repayment is clear and can be ascertained, both from business results and sales of goods whose ownership is proven by warehouse receipts and used as collateral at the Bank. Warehouse Receipt Loans distributed by the Bank are Non-Subsidized Warehouse Receipt Credit and Warehouse Receipt Subsidy Scheme Credit (S-SRG), which receive interest subsidies from the Government.

KUMK SU-005/KREDIT INVESTASI PEMERINTAH (KIP)

It is a credit / financing source of funds 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.

KREDIT BANKIT KKPA

It is 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.

KREDIT BANKIT KKOP

It is 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.

KREDIT JATIM MIKRO

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

KREDIT SiUMI

It is a working capital and / or investment credit 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.

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 day 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.

FX SWAP (FOREIGN EXCHANGE SWAP)

FX Swap transaction is a sale and purchase transaction on foreign currency, consisting of 2 (two) different transactions which are carried out simultaneously with different time of fund delivery. The 2 types of FX Swap transaction are:

- FX Swap Buy (Sell and Buy)
a foreign currency selling transaction against Rupiah, with time of fund delivery is in 2 (two) working days following the day/date of the transaction. This transaction is followed by repurchasing of the foreign currency against Rupiah in the future;
- FX Swap Sell (Buy and Sell)
a foreign currency buying transaction against Rupiah, with time of fund delivery is in 2 (two) working days following the day/date of the transaction. This transaction is followed by reselling of the foreign currency against Rupiah in the future.

BANK NOTES

This 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

ON-CALL DEPOSITS

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.

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

Merupakan pengiriman warkat (Cek, Bilyet, Giro, Wesel) ke Bank tertarik untuk mendapatkan pembayaran karena tidak dapat diselesaikan melalui sarana kliring (Bank tertarik diluar wilayah kliring) dengan menggunakan mata uang Rupiah.

Inkaso Valas

INKASO Rupiah is a dispatch of scripts (Check, Transfer Form, Giro, Money Order) using Rupiah to the interested bank to get a payment as it cannot be settled through a clearing facility (due to the location of the interested bank outside the clearing area).

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.

Western Union

This is a quick money transfer delivery or reception service that are conducted in real time and online across countries or within one country.

Transaksi Remittance

Remittance is one of the Bank's services to the public in the form of transfers or remittances of foreign exchange, both as a receipt (incoming) and as a delivery (outgoing). Incoming transactions or transfers that are remittances from other banks or from the same bank will be forwarded to the recipient customer (beneficiary party). On the other hand, the outgoing transfers are bank remittances at the customer's request or certain bank parts for the benefit of others at the same bank or another bank. Remittance Transactions provide convenience and smoothness for the business transactions in the form of foreign exchange transfer services abroad. Regarding this, Bank Jatim serves foreign exchange transfers in USD, SGD, JPY, HKD, GBP, EUR, and CNY currencies.

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

This is a short, medium, or long-term financing facility to finance the purchase of house, shop house, office house, and apartment, both new and used, as well as the consumption of collateral property by implementing the principles of akad murabahah and musyarakah mutanaqishah.

KPR SEJAHTERA

KPR Sejahtera is home ownership financing with the support of the Housing Financing Liquidity Facility (FLPP) with a murabahah contract.

MULTIGUNA SYARIAH

Multiguna Syariah or Sharia Multipurpose is a financing facility given to the government or private employees in collaboration with Bank Jatim Syariah by implementing the principle of akad murabahah.

EMAS iB BAROKAH

Emas iB Barokah or iB Barokah Gold is a financing facility provided by the bank to the customer according to an agreement, where the customer physically hands over valuables in the form of gold (both bullion and jewelry), in which the bank will further give a mortgage as collateral for all or parts of the customer's debt to the bank.

KEPEMILIKAN LOGAM EMAS

This financing facility is provided to make it easier for customers to own gold bullion by paying for the installments every month with the implementation of the 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.

UMROH iB MAQBULLA

Umroh iB Maqbullah is a financing product aimed at customers who will undergo the umrah trips with fixed installments until the financing period ends with the ijarah contract.

WORKING CAPITAL FINANCING FOR iB BAROKAH PROPERTY CONSTRUCTION

Working capital financing facilities provided for customers 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 principles.

WORKING CAPITAL FINANCING FOR iB BAROKAH KEPPRES PATTERN

Working capital financing facility for the Contractor to complete a job based on a Work Contract with a certain ceiling where the payment of the financing originates from the relevant project term payments based on sharia principles.

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 short-term 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 SINDICATION

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.

Sharia Fund Products and Services



GIRO AMANAH

Deposits of funds based on the wadiah principle from a third party at the Bank which withdrawals are made at any time by using a Check / Bilyet Giro (BG), other payment order means or by way of overbooking. In its implementation, the current account is administered by Bank Jatim Syariah in an account commonly known as a checking account.

TABUNGAN BAROKAH

Tabungan Barokah or Barokah Savings is a fund deposit that implements the Profit Sharing (Mudharabah) principle according to the ratio that has been agreed upon between the Bank and the Customer, which can be withdrawn at any time.

TABUNGAN HAJI AMANAH

Tabungan Haji Amanah or Haji Amanah Savings is a fund deposit that implements the Profit Sharing (Mudharabah) principle to serve as a credible saving for the Moslem community who wish to perform the Hajj pilgrimage to the Holy Land of Mecca.

TABUNGANKU iB

TabunganKu iB is a fund deposit that implements the Wadiah Yad Adh Dhamanah principle where customers' savings are treated as deposits and can be withdrawn at any time.

TABUNGAN SIMPEL iB

"Simpanan Pelajar" (SIMPEL) or Student Savings is a saving product aimed at students of below 17 years old who do not have an ID card yet. This product is jointly issued by Indonesian banks with easy and simple requirements as well as attractive feature, in order to promote financial education and inclusiveness from early age, based on the Wadi'ah principle. Withdrawal can be made anytime. The Bank is not required to provide returns for the deposits except in the form of voluntary bonus provision.

TABUNGAN UMROH iB AMANAH

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.

BAROKAH SEJAHTERA SAVINGS PROGRAM

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 Barokah Sejahtera Savings account. The account holder will still obtain profit savings at the end of the period.

iB BAROKAH SAVINGS PLAN

Savings that use the profit sharing principle (Mudharabah) which are intended for individual customers who are registered at the Pension Management Institution that has collaborated with Bank Jatim Syariah.

BAROKAH DEPOSITS

A deposit product of which the withdrawal can be carried out in certain times according to the agreement between the account holder and the Bank based on the Mudharabah principle.

REFERENCE BUSINESS MODEL BANCASSURANCE

This is a product of marketing cooperation of sharia insurance in which the Bank only refers or recommends a sharia insurance product to the customers. The Bank's role in marketing this product is limited to the role of an intermediary in delivering information about sharia insurance product from insurance company partner to the customers, or in providing access to the insurance company to offer sharia insurance product to the customers.

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, MOBILE BANKING, and INTERNET BANKING)

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

WAKAF iB BAROKAH

Waqf iB Barokah is a waqf service that can be performed by a person, group of people, institution or legal entity in IDR currency which is managed productively with sharia principles and the results are utilized for the economic welfare of the people.

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.

USSD SMS BANKING (*141*3366#)

USSD 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 the USSD SMS Banking service.

INTERNET BANKING

Internet Banking by Bank Jatim is one of the electronic channel (e-channel) services which enables the Bank to provide services to its customers through the Internet that is accessible anytime and anywhere, comfortably, and safely, as it implements the dynamic PIN Token technology that continuously changes for each transaction).

MOBILE BANKING

Mobile Banking by Bank Jatim is one of the electronic channel (e-channel) services which enables the Bank to provide services to its customers through mobile phones. The interactions are conducted within the mobile application and by using the Internet data package in the android, iOS, and blackberry.

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 and USSD SMS Banking based applications to serve these customers/communities.

BANK JATIM INFO

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

Bank Jatim ATM Card can be used for cash withdrawal transactions; make payments for telephone bill, water bill, taxes bill, electricity bill; SMS Banking and transfers between Bank Jatim accounts and between accounts of fellow members of ATM Bersama and ATM Prima; check the balance of the account; and to shop at the merchants identified with the PRIMA DEBIT or DEBIT BCA logo.

BANK JATIM FLAZZ CARD (CO-BRANDING)

This is a multifunctional Prepaid Card that uses RFID technology, so that transactions can be done faster and more conveniently. Bank Jatim Flazz Card is the result of Co-Branding collaboration with 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.

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

This is an annual registration service for vehicle registration (STNK) and vehicle tax payments as well as SWDKLLJ (Jasa Raharja) through Bank's e-Channels, namely: ATM, Teller, PPOB, Mobile Banking and Internet Banking, as well as at retail modern channel, namely Indomaret.

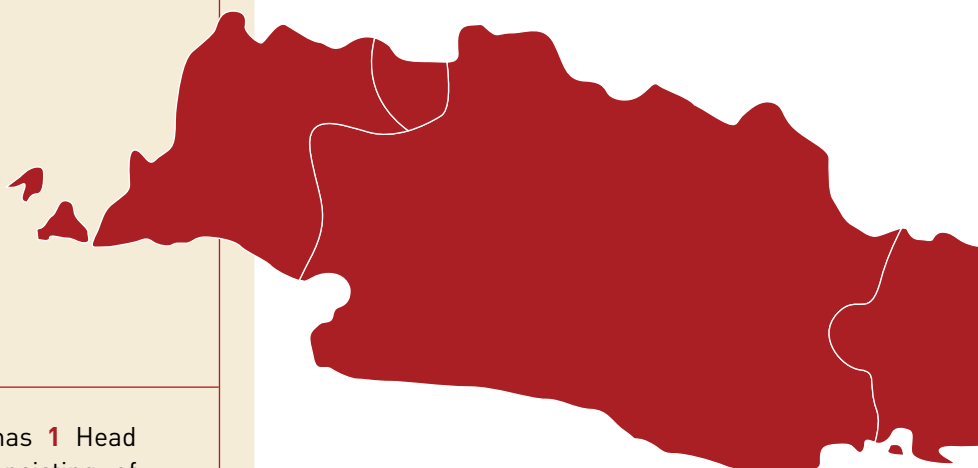
JATIM CODE

This is a mobile banking application that can be used by the customers to make a purchase/ payment by scanning QR Code (Jatim Code) at merchants or shops cooperating with Bank Jatim.

BANK JATIM CONNECT

Bank Jatim Connect is a brand new technology launched to facilitate every customers' banking transaction activity with strategic location, long operational hours, and flexibility due to services during holidays.

BUSINESS AREA MAP BANK JATIM



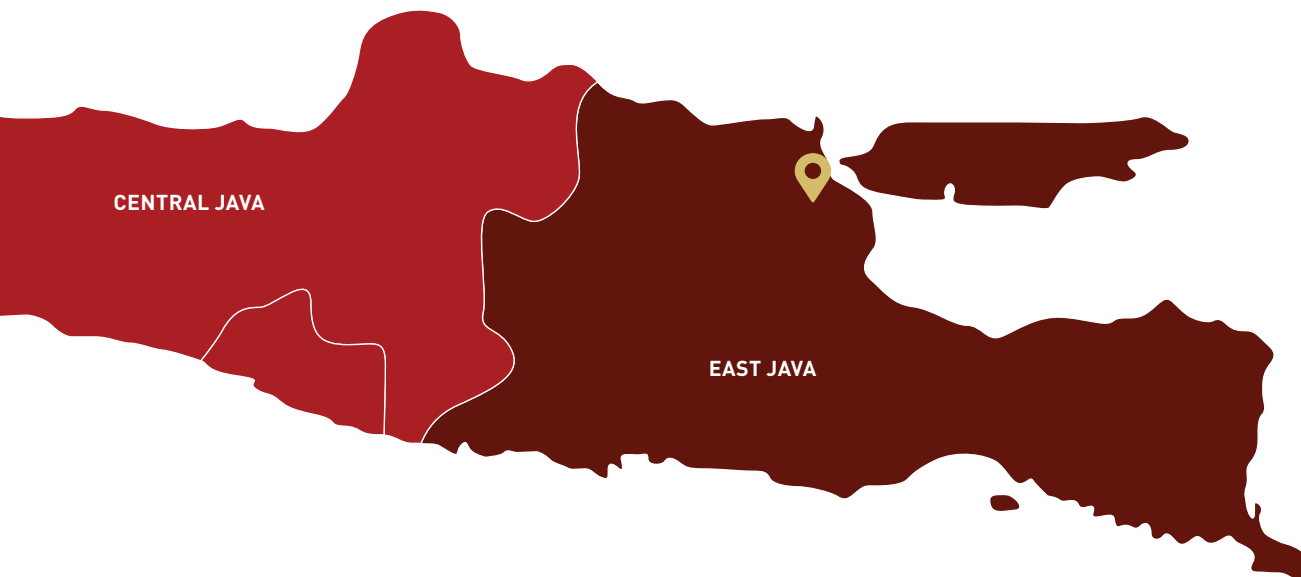
As of November 2020, Bank Jatim has **1** Head Office and **1,806** office networks consisting of Branch Offices, Sub-Branch Offices, Cash Offices, Payment Points, Car Cash/Counter, ATM/CRM, and Office Channeling.

Year Office Network Table for the last 5 years

OFFICE TYPE	2020*	2019	2018	2017	2016
Headquarters	1	1	1	1	1
Conventional Branch Offices	41	41	41	41	40
Sharia Branch Offices	7	7	7	7	7
Conventional Sub Branch Office	162	162	160	158	158
Sharia Sub-Branch Office	10	10	9	8	8
Cash office	209	209	207	199	190
Sharia Service Office	195	191	191	191	191
Payment Point	247	249	203	183	175
Sharia Payment Point	9	10	8	7	6
Car cash	92	92	92	82	79
Sharia Car Cash	6	6	6	6	6
Automatic Teller Machine (ATM) *	753	742	735	707	689
Sharia Automated Teller Machine (ATM)	24	23	22	16	14
Cash Recycle Machine (CRM)	25	-	-	-	-
Sharia Cash Recycle Machine (CRM)	2	-	-	-	-
Cash Deposit Machine (CDM)	-	2	2	2	2

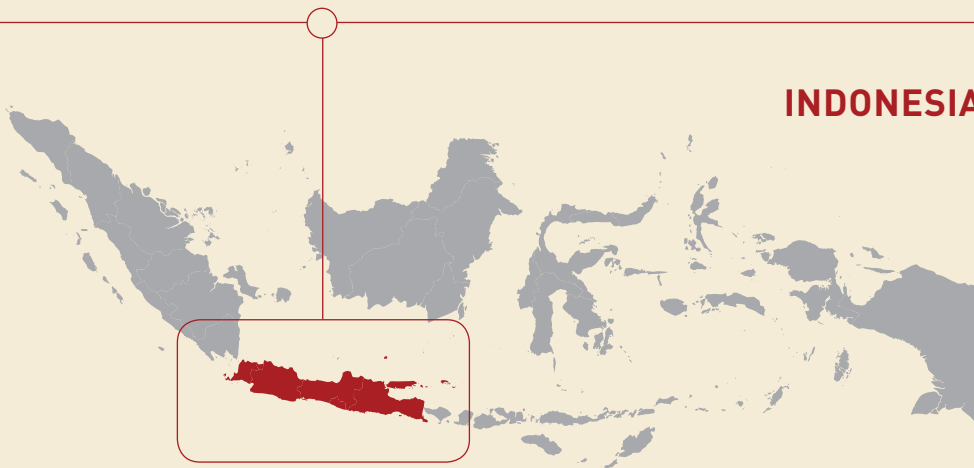
*Bank Jatim Automated Teller Machines (ATM) incorporated with 81,569 ATM BERSAMA network terminals, 101,313 ATM PRIMA terminals, 695,971 Electronic Data Capture.

JAVA ISLAND



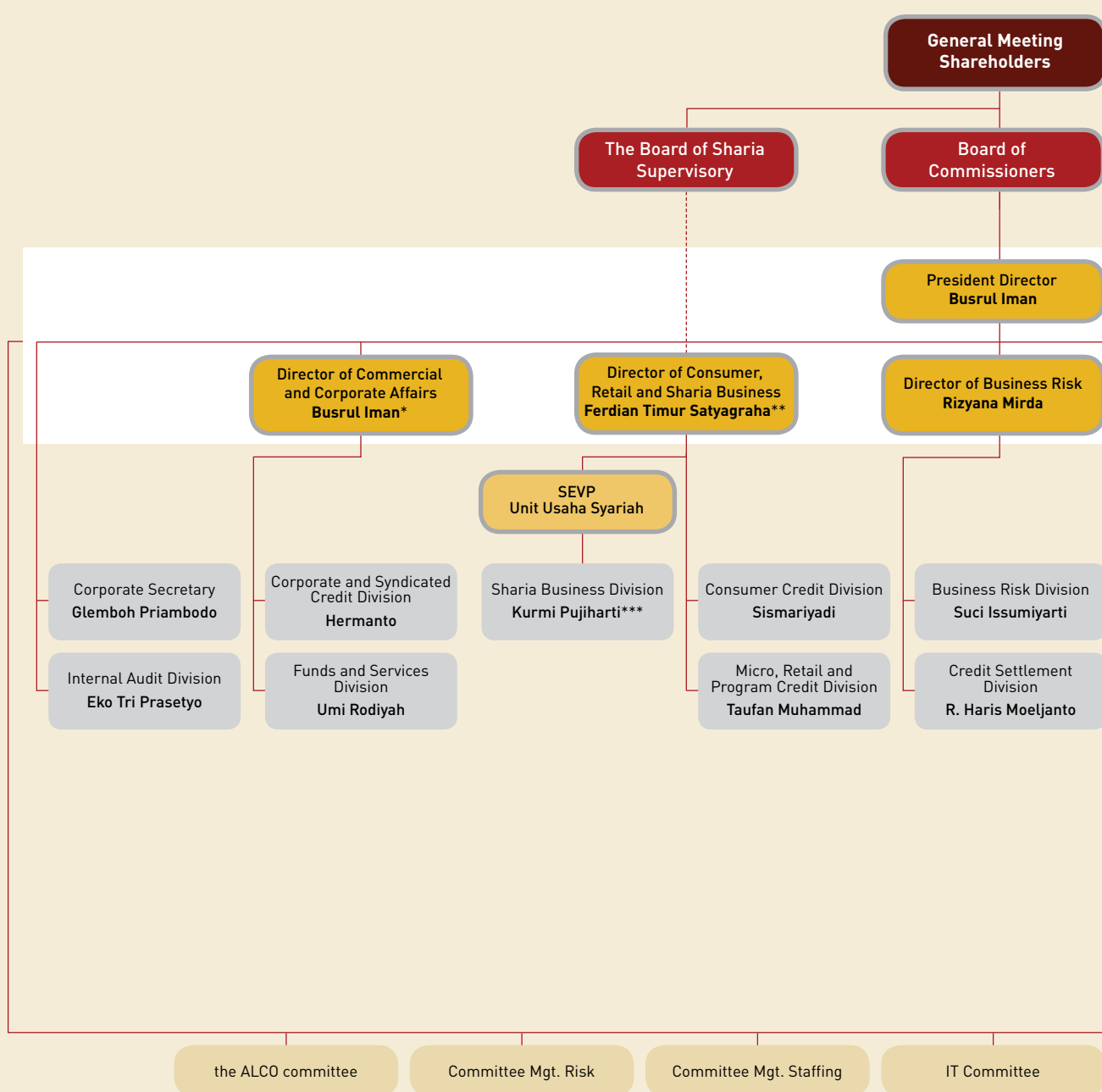
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INDONESIA



— Organizational Structure

In line with its business development, the Organization Structure of Bank Jatim has experienced several amendments. The last amendment to the organization structure was conducted on June 17, 2019 based on the Decree of Board of Directors No. 058/158/DIR/PRS/ KEP dated June 17, 2019.

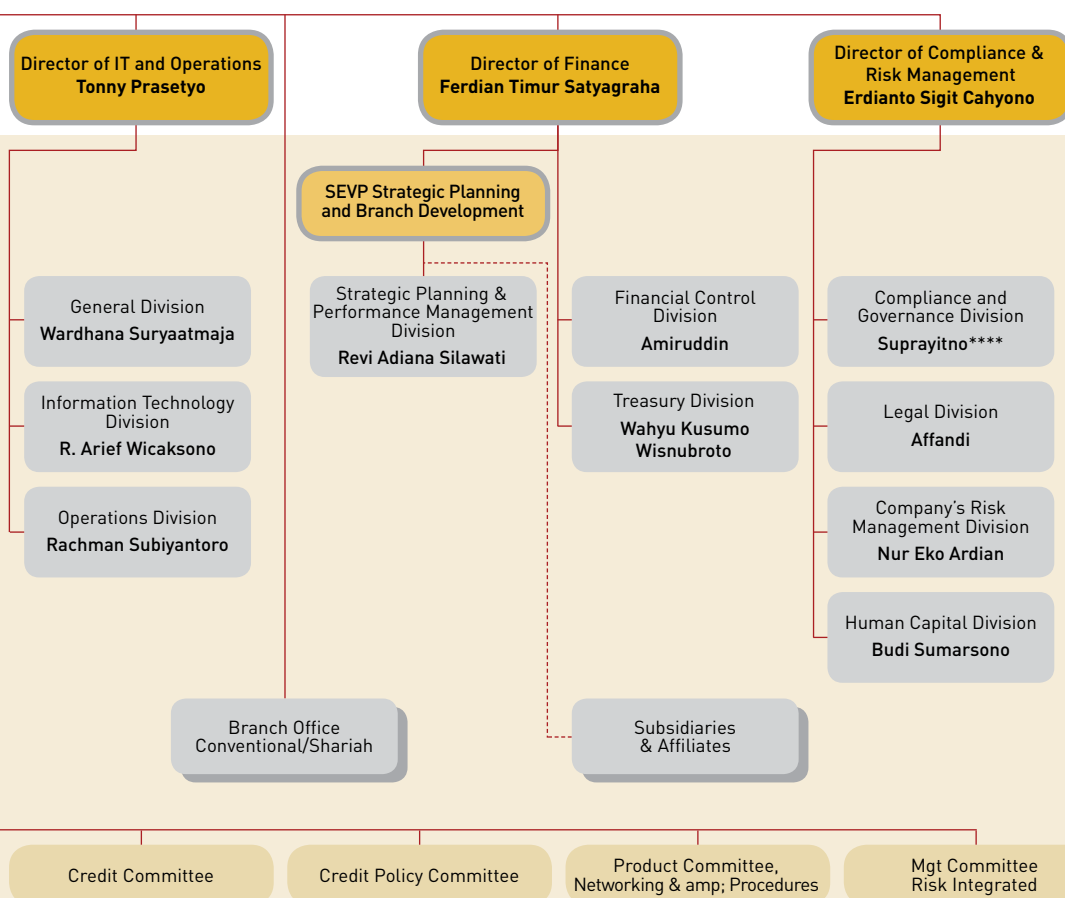
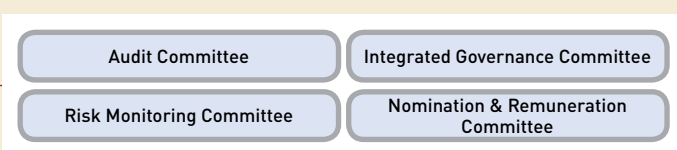


* Pgs. Commercial and Corporate Director

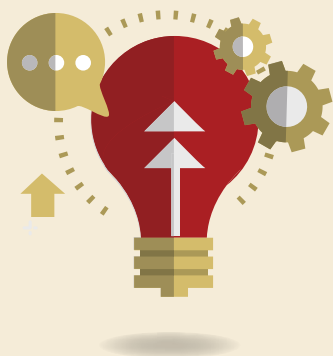
** Pgs. Director of Consumer, Retail and Sharia Business

*** Pgs. Sharia Business Division Leader

**** Pgs. Head of Compliance and Governance Division



— Vision, Mission, & Corporate Culture

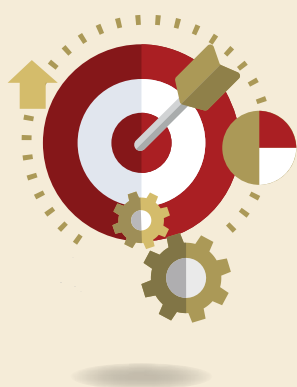


VISION

To become “BPD No. 1” in Indonesia

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

- 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

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.

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

The vision and mission of Bank Jatim has been approved by the Board of Directors with the knowledge of the Board of Commissioners through the Decree of the Board of Directors Number 059/057 / DIR / PRS / KEP dated 12 February 2020 regarding the Vision and Mission of PT Bank Pembangunan Daerah Jawa Timur Tbk. In the Annual General Meeting of Shareholders for the Fiscal Year 2019 which was held on April 24, 2020, the Board of Directors has conveyed the adjustment of the vision and mission as one of the focus for the achievement strategy to continue the Company's internal consolidation.

CORPORATE CULTURE



EXCELLENCE

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 other 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 co-workers 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
- Establish cooperation between individuals and working units to jointly work toward the achievement of 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:

- Treat others as expectations of how to be treated by others
- 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.

— Profile of Board of Commissioners



Akhmad Sukardi President Commissioner



Indonesian citizens, domicile in Surabaya. Born in Sumenep in 1958, 62 years old as of December 2020.



Period of Office

2015 - Until the close of the 2017 Fiscal Year Annual General Meeting of Shareholders (First Period as Commissioner).

2018 - Until the close of the 2020 Fiscal Year Annual General Meeting of Shareholders (First Period as President Commissioner).



Double function

Do not have concurrent positions in other companies or institutions.



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational background

- Bachelor degree in Accounting from STIKI Finance, Surabaya (1986).
- Masters in Management from Airlangga University, Surabaya (1998).
- Doctorate in Administrative Sciences from the University of 17 August 1945, Surabaya (2008).



Certification

- Commissioner Level 2 Risk Management Certification held by the Risk Management Certification Agency (2018).
- Preparation and Consolidation of Fit and Proper Tests for the candidates for President Commissioner and Members of the Board of Commissioners of Bank Jatim held by the Strategic Development Group (SDG) Learning (2018).



Work experience

- Staff of the Bookkeeping Section of the Regional Government Finance Bureau Level I (1985-1988).
- Head of Sub Division of Budget Development at the Bureau of Finance (1988-1990).
- Head of Subdivision of Development Budget for the Finance Bureau of East Java Province (1990-1994).
- Head of Budget for the East Java Province Finance Bureau (1994-2000).
- Head of the Regional Secretariat for Finance Bureau of East Java Province (2000-2003).
- Head of East Java Province Revenue Service (2003-2009).
- Administrative and General Assistant for the Regional Secretariat of East Java Province (2009-2013).
- Regional Secretary of East Java Province (2014 - present).
- Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015-2017).
- President Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2018 - present).



Appointment History

Appointed as Commissioner for the first time at the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. Fiscal Year 2014 on April 8, 2015. Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as a Commissioner based on a copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. SR-178 / D.03 / 2015 dated 16 September 2015. Then appointed as President Commissioner through the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk for the 2017 Financial Year on February 20, 2018. Passed the Fit and Proper Test and declared effective by the Financial Services Authority (OJK) as President Commissioner based on a copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-137 / D.03 / 2018 dated 9 August 2018, until the closing of the 2020 Annual GMS which will be held in 2021.



Bank Jatim Share Ownership

833.600 Shares.



Rudi Purwono

Independent Commissioner



Indonesian citizens, domicile in Surabaya. Born in Surabaya in 1969, 51 years old as of December 2020.



Period of Office

2016 - Until the closing of the 2017 Fiscal Year Annual General Meeting of Shareholders (First Period).

2018 - Until the close of the 2020 Fiscal Year Annual General Meeting of Shareholders (Second Period).



Jabatan Rangkap

Deputy Director for Academic, Student and Alumni Affairs for the Postgraduate School of Airlangga University (2020- present).



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational background

- Bachelor degree in Economics from Airlangga University, Surabaya (1994).
- Master in Economics with a specialization in Monetary Economics from the University of Indonesia (2004).
- Doctorate in Economics with a specialization in Monetary Economics from the University of Indonesia (2009).



Certification

International Conference Of Organizational Innovation (ICOI) 2018 held by the Banking Professional Certification Institute (LSPP) (2018).



Work experience

- Regional Chief Economist (RCE) - PT Bank Negara Indonesia (Persero) Tbk (2011-2015).
- Deputy Chairman II of the East Java Province Wage Council (2008-2016).
- Member of the Regional Research Council (DRD) of East Java Province (2014-2019).
- Economist of the Ministry of Finance of the Republic of Indonesia (2012-2016).
- Deputy Dean I (Academic and Student Affairs) Faculty of Economics and Business, Airlangga University (2010-2020).
- Independent Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2016 - present).
- Deputy Director for Academic, Student and Alumni Affairs at the Postgraduate School of Airlangga University (2020- present).



Appointment History

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 24, 2016. Passed the Fit and Proper Test and declared effective by the Financial Services Authority (OJK) as Independent Commissioner based on Copy Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. SR-188 / D.03 / 2016 dated 16 September 2016. Then he was reappointed for the second period as Independent Commissioner at the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. Fiscal Year 2017 on February 20, 2018 until the closing of the 2020 Annual GMS which will be held in 2021.



Bank Jatim Share Ownership

Does not have shares in Bank Jatim.



Candra Fajri Ananda

Independent Commissioner



Indonesian citizens, domicile in Batu, Malang. Born in Lumajang in 1964, 56 years old as of December 2020.



Period of Office

2018 - Until the close of the 2020 Fiscal Year Annual General Meeting of Shareholders (First Period).



Double function

- Chairman of ISEI Malang (2010-present).
- Lecturer at KPS S2, KPS S3, Faculty of Economics and Business, Universitas Brawijaya (1989 - present).
- Special Staff of the Minister of Finance of the Republic of Indonesia (2019- present).



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational background

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



Certification

- Preparation and strengthening of Fit and Proper Test for Independent Commissioner candidates held by the Sustainable Development Goals (2018).
- Commissioner Level 2 Risk Management Certification which was held by the Risk Management Certification Body on (2018).



Work Experience

- Public Sector Development Consultants in Post-Conflict Areas, World Bank (2003-2004).
- Regional Planning Advisory Council, East Java Province (2003-2012).
- Members of TADF (Ministry of Finance's Fiscal Decentralization Assistance Team), Ministry of Finance (2008-2014).
- Chairman of the Association of Indonesian Bachelor of Economics in Malang (2010-present).
- Dean of the Faculty of Economics and Business, University of Brawijaya (2013-2017).
- Lecturer at KPS S2, KPS S3, Faculty of Economics and Business, Universitas Brawijaya (1989 - present).
- Independent Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2018-present).
- Special Staff of the Minister of Finance of the Republic of Indonesia (2019- present).



Appointment History

Appointed as Independent Commissioner for the first time at the Annual General Meeting of Shareholders (AGM) of PT Bank Pembangunan Daerah Jawa Timur Tbk. Fiscal Year 2017 on February 20, 2018. 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 the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-153 / D.03 / 2018 dated 18 September 2018, until the closing of the 2020 Annual GMS which will be held in 2021.



Bank Jatim Share Ownership

Does not have shares in Bank Jatim.



Budi Setiawan

Commissioner



Indonesian citizens, domicile in Surabaya. Born in Ponorogo in 1958, 62 years old as of December 2020.



Period of Office

2018 - Until the close of the 2020 Fiscal Year Annual General Meeting of Shareholders (First Period).



Double function

Do not have concurrent positions in other companies or institutions.



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational background

- Engineer in the field of Social Economics, Faculty of Agriculture from the National Development University "Veteran" East Java (1985).
- Masters in Technology Management from the Sepuluh Nopember Institute of Technology Surabaya (2002).
- Masters in Economics from Brawijaya University Malang (2008).
- Doctorate in Economics from Brawijaya University Malang (2012).



Certification

- Commissioner Level 2 Risk Management Certification held by the Risk Management Certification Agency (2018).
- Preparation and Consolidation of Fit and Proper Tests for the candidates for President Commissioner and Members of the Board of Commissioners of Bank Jatim held by the Strategic Development Group (SDG) Learning (2018).



Work Experience

- Head of Economic Division of the East Java Province Bappeda (2005-2010).
- Head of the Economic Administration Bureau of the East Java Provincial Secretariat (2010-2011).
- Head of the East Java Province Industry and Trade Office (2011-2014).
- Head of Regional Financial and Asset Management Agency (BPKAD) East Java Province (2014-2016).
- Head of the Regional Development Planning Agency (BAPPEDA) of East Java Province (2017-2018).
- Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2018-present).



Appointment History

Appointed as Commissioner for the first time at the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. Fiscal Year 2017 on February 20, 2018. Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as a Commissioner based on the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-138 / D.03 / 2018 dated 9 August 2018 until the closing of the 2020 Annual GMS which will be held in 2021.



Bank Jatim Share Ownership

Does not have shares in Bank Jatim.



Muhammad Mas'ud

Independent Commissioner



Indonesian citizens, domicile in Surabaya. Born in Sidoarjo in 1964, 56 years old as of December 2020.



Period of Office

2019 - Until the close of the 2022 Fiscal Year Annual GMS (First Period).



Double function

- Members of the Kediri District Development Control and Acceleration Team (2016-present).
- Chairman of the District Research Council. Bojonegoro (2019 - present)
- Director of the Postgraduate Program at the Islamic University of Malang (2018-present).



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational Background

- Bachelor degree in State Administration from Brawijaya University, Malang (1989).
- Masters in Management from Muhammadiyah University, Malang (1997).
- Doctorate in International Politics from Flinders University, Adelaide Australia (2005).



Certification

- Level - 1 Exam for Risk Management Certification Program (2019).
- Risiko Level - 1 Management Certification Training (2019).
- Risk Management Certification Training Level - 2 (2019).
- Level - 2 Exam for Risk Management Certification Program (2019).



Work Experience

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



Appointment History

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 the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP - 187 / D.03 / 2019 11 October 2019 until the closing of the 2022 annual GMS which will be held in 2023.



Bank Jatim Share Ownership

Does not have shares in Bank Jatim.



Heru Tjahjono

Commissioner



Indonesian citizens, domicile in Surabaya.
Born in Yogyakarta in 1961, 59 years old
as of December 2020.



Period of Office

2019 - Until the close of the 2022 Fiscal
Year Annual GMS (First Period).



Double Function

Regional Secretary of East Java Province
(2018-present).



Affiliate Relationship

Has no affiliation with members of the
Board of Directors, other members of
the Board of Commissioners or with
controlling and major shareholders.



Educational Background

- Bachelor degree in Engineering from Sebelas Maret University, Surakarta (1988).
- Masters in Management from Merdeka University, Malang (1999).
- Doctorate in Environment and Development from Brawijaya University, Malang (2014).



Certification

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



Work Experience

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



Appointment History

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 a Commissioner based on the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP - 186 / D.03 / 2019 11 October 2019 until the closing of the 2022 annual GMS which will be held in 2023.



Bank Jatim Share Ownership

Does not have shares in Bank Jatim.

— Profile of The Board of Sharia Supervisory



Drs. KH. Afifuddin Muhajir, M.Ag

**Chairman of the Sharia
Supervisory Board**



Indonesian citizens, domicile in Situbondo. Born in Sampang in 1955, 65 years old as of December 2020.



Period of Office

2019 – Until the closing of the 2023 Annual General Meeting of Shareholders (First Period).



Affiliate Relationship

Doesn't have an affiliation relationship either with members of the Board of Directors, members of the Board of other commissioners as well as controlling and ultimate shareholders.



Bank Jatim Share Ownership

Does not have shares in Bank Jatim.



Educational Background

- Bachelor of Tafsir Hadith Department of Ibrahimy University (UNIB) (1980).
- Master of Islamic Law UNISMA Malang (2001).



Certification

- LKS Sharia Supervisor Training by DSN-MUI Institute Jakarta (2019).
- Certification of the LSP Sharia Supervisory Board by the DSN-MUI Institute Jakarta (2019).



Work Experience

- Lecturer at the Faculty of Sharia, Ibrahimy University (UNIB) (1985-present).
- Lecturer Ma'had Pondok Pesantren Salafiyah Syafi'iyah Sukorejo Situbondo (1990-present).
- Khatib Syuriah Executive Board of Nahdlatul Ulama (2010-2015).
- Chairman of the Salafiyah Syafi'iyah Sukorejo Situbondo Islamic Boarding School Foundation (2010-present).
- Naib Mudir Ma'had Aly Pondok Pesantren Salafiyah Syafi'iyah Sukorejo Situbondo (2016-2021).
- Masyayikh Ma'had Aly Council (2018-2022).
- Rais Syuriah Executive Board of Nahdlatul Ulama (2019-2020).



Appointment History

Appointed as Chairman of sharia supervisory board for the first time at the Annual General Meeting of Shareholders (GMS) of PT Bank Development of East Java Region Tbk. Fiscal Year 2018 on April 26th, 2019.



Double Function

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



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

Member of Sharia Supervisory Board



Indonesian citizens, domicile in Malang. Born in Mojokerto in 1954, 66 years old as of December 2020.



Period of Office

2019 - Until the closing of the GMS Annual 2023 (First Period).



Affiliate Relationship

Does not have a good affiliation relationship with members of the Board of Directors, members of the Board Other commissioners as well as with controlling and major shareholder.



Bank Jatim Share Ownership

Does not have shares in Bank Jatim.



Educational Background

- Bachelor of Qadla 'Department of IAIN Sunan Ampel Surabaya (1983).
- Master of Islamic Education IAIN Syarif Hidayatullah Jakarta (1990).
- Doctor of Ulumul Qur'an IAIN Syarif Hidayatullah Jakarta (1997).



Certification

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



Work Experience

- Chairman of the Institute for the Study of Religion and Philosophy (LKAF) (1994-1999).
- Postgraduate Lecturer at IAIN Sunan Ampel Surabaya (1998-present).
- Head of the Department of Comparison of Schools and Laws, 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 Tarjih Council and the Development of Muhammadiyah Islamic Thought in the East Java Region (2000-present).
- Head of the Arabic Language Learning Program of UIN Malang (2000-2003).
- Lecturer at the University of Muhammadiyah Sidoarjo (2001-2003), Assistant Director I of the UIN Malang Postgraduate Program (2003-present).
- Postgraduate Lecturer at the University of Muhammadiyah Surabaya (2004-present).
- Lecturer at the Institute of Islam, Hasyim Asy'ari Jombang (2004-present).
- Director of UIN Malang Postgraduate Program (2005-2007), Vice Rector IV UIN Malang (2007-2009).
- Chairman of the Muhammadiyah East Java Regional Management (2015-2020).



Appointment History

Appointed as a Member of the Sharia Supervisory Board for the first time time at the Extraordinary General Meeting of Shareholders (EGMS) PT Bank Pembangunan Daerah Jawa Timur Tbk. June 27, 2019.



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 the Development of Muhammadiyah Islamic Thought in the East Java Region (2000-present).
- Assistant Director I of UIN Malang Postgraduate (2003-present).
- Postgraduate Lecturer at the University of Muhammadiyah Surabaya (2004-present).
- Lecturer at the Institute of Islam, Hasyim Asy'ari Jombang (2004-present).

— Profile of The Board of Directors



Busrul Iman

President Director and Acting Director for Commercial and Corporate Affairs



Indonesian citizens, domicile in Surabaya. Born in Surabaya in 1964, 56 years old as of December 2020.



Period of Office

2019 - 2020 (First Period as Director for Commercial and Corporate Affairs)
2020 - until the closing of the GMS Annual Fiscal Year 2024 (Second Period as President Director).



Double function

Do not have concurrent positions in other companies or institutions.



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational Background

- Bachelor degree in Accounting Economics from STIE Indonesia (1986).
- Master of Management from Diponegoro University, Semarang (2005).
- Professional Accountant from General Soedirman Purwokerto University (2007).



Certification

- Level 4 Risk Management Certification by Professional Certification Organizing Bodies (2015).
- Risk Management Certification Level 5 by the Risk Management Certification Agency (2019).



Work Experience

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



Appointment History

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 Decree of the Members of the Board of Commissioners of the Services Authority Finance (OJK) No. KEP-191 / D.03 / 2019 Dated 11 October 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 the Decree of the Members of the Board of Commissioners of the Financial Services Authority No. Kep-44 / D.03 / 2020 dated 30 April 2020.

Appointed as Pgs Director of Commercial and Corporate Affairs of PT Bank Pembangunan Daerah Jawa Timur Tbk since the issuance of the Decree on August 3, 2020 based on the Decree of the Members of the Board of Commissioners No. 059/008 / DK / KEP / 2020.



Bank Jatim Share Ownership

982,200 shares.



Rizyana Mirda

Director of Business Risk



Indonesian citizens, domicile in Surabaya.
Born in Surabaya in 1969, 51 years old as of December 2020.



Period of Office

2017 - until the closing of the GMS Annual Fiscal Year 2021 (Period First).



Double Function

Do not have concurrent positions in other companies or institutions.



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational Background

- Bachelor degree in Financial Economics from STIESIA, Surabaya (1996).
- Bachelor of Business Administration from IBMT, Surabaya (1997).
- Master of Finance from STIE ABI, Surabaya (2002).



Certification

- Risk Management Certification Level 1 by the Risk Management Certification Agency (2006).
- Risk Management Certification Level 2 by the Risk Management Certification Agency (2006).
- Risk Management Certification Level 3 by the Risk Management Certification Agency (2008).
- Risk Management Certification Level 4 by the Risk Management Certification Agency (2011).
- Risk Management Certification Level 5 by the Risk Management Certification Agency (2017).



Work Experience

- Head of Juanda Sub-Branch, PT Bank Pembangunan Daerah Jawa Timur, Tbk (2002-2004).
- Head of Malang Branch Operations PT Bank Pembangunan Daerah Jawa Timur, Tbk (2004-2006).
- Head of the Batu Branch of PT Bank Pembangunan Daerah Jawa Timur, Tbk (2006-2009).
- Head of the Silver Branch of PT Bank Pembangunan Daerah Jawa Timur, Tbk (2009-2010).
- Head of Sub Division of Services and Foreign Funds of PT Bank Pembangunan Daerah Jawa Timur, Tbk (2010-2013).
- Head of the Gresik Branch of PT Bank Pembangunan Daerah Jawa Timur, Tbk (2013-2015).
- Head of the Madiun Branch of PT Bank Pembangunan Daerah Jawa Timur, Tbk (2015).
- Leader of the Credit Risk Division of PT Bank Pembangunan Daerah Jawa Timur, Tbk (2015-2016).
- Head of the Medium and Corporate Credit Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2016-2017).
- Director of Risk Management of PT Bank Pembangunan Daerah Jawa Timur, Tbk (2017 - June 2019).
- Director of Business Risk at PT Bank Pembangunan Daerah Jawa Timur, Tbk (June 2019-present).



Appointment History

Appointed as Director of Risk Management for the first time at the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 15, 2017. 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 Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-188/D.03/2017 dated 29 September 2017 and Deed No. 23 dated 7 November 2019 regarding changing the nomenclature of the position of the board of directors from being Director of Risk Management to Director of Business Risk.



Bank Jatim Share Ownership

3,443,733 shares



Tonny Prasetyo

Director of IT and Operations



Indonesian citizens, domicile in Mojokerto. Born in Malang in 1969, 51 years old as of December 2020.



Period of Office

2019 - until the closing of the GMS Annual Fiscal Year 2023 (Period First).



Double Function

Do not have concurrent positions in other companies or institutions.



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational Background

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



Certification

- Risk Management Certification Level 1 by the Risk Management Certification Agency (2007).
- Risk Management Certification Level 2 by the Risk Management Certification Agency (2009).
- Risk Management Certification Level 3 by the Risk Management Certification Agency (2011).
- Risk Management Certification Level 4 by the Risk Management Certification Agency (2017).
- Risk Management Certification Level 5 by the Risk Management Certification Agency (2019).



Work Experience

- Head of the Situbondo Branch of PT Bank Pembangunan Daerah Jawa Timur Tbk (2013-2014).
- Head of Blitar Branch of PT Bank Pembangunan Daerah Jawa Timur Tbk (2014-2015).
- Branch Manager Kediri PT Bank Pembangunan Daerah Jawa Timur Tbk (2015).
- Leader of the Sharia Business Credit Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015-2016).
- Head of General Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2016-2019).
- Director of Information Technology and Operations of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-present).



Appointment History

Appointed as Director of Information Technology and Operations 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 Director Information Technology and Operations based on a copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-190 / D.03 / 2019 Dated 11 October 2019.



Bank Jatim Share Ownership

90,400 shares



Ferdian Timur Satyagraha

**Director of Finance and Pgs
Director of Consumer, Retail and
Sharia Business**



Indonesian citizens, domicile in Surabaya.
Born in Surabaya in 1982, 38 years old as
of December 2020.



Period of Office

2019 - until the closing of the GMS Annual
Fiscal Year 2023 (Period First).



Double function

Do not have concurrent positions in other
companies or institutions.



Affiliate Relationship

Has no affiliation with members of the
Board of Directors, other members of
the Board of Commissioners or with
controlling and major shareholders.



Educational Background

- Foundation Degree from Taylor University, Melbourne Australia (2001).
- Bachelor of Finance from Deakin University, Australia (2003).
- Master of Business / Commerce Deakin University, Australia (2006)..



Certification

- Risk Management Certification Level 1 by the Risk Management Certification Agency (2010).
- Risk Management Certification Level 2 by the Risk Management Certification Agency (2010).
- Risk Management Certification Level 3 by the Risk Management Certification Agency (2011).
- Risk Management Certification Level 4 by the Risk Management Certification Agency (2016).
- Risk Management Certification Level 5 by the Risk Management Certification Agency (2016).



Work Experience

- Management of IRU sub-division of IRU and External Communications of the Corporate Secretary of PT Bank Pembangunan Daerah Jawa Timur Tbk (2012-2013).
- Investor Relations Sub Division Analyst PT Bank Pembangunan Daerah Jawa Timur Tbk (2013-2014).
- Acting Senior Analyst at IRU, Investor Relations Sub Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2014-2015).
- Head of the Investor Relations Sub Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015).
- Head of the Kepanjen Branch of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015).
- Corporate Secretary of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015-2017).
- Finance Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2017-present).
- Acting President Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (06 May 2019 - 23 July 2020).
- Acting Director of Operations and Changing the Nomenclature of the Position of the Board of Directors to become Pgs. Director of IT and Operations PT Bank Pembangunan Daerah Jawa Timur Tbk (06 May 2019 - 27 October 2019).
- Acting Director of Consumer, Retail and Sharia Business of PT Bank Pembangunan Daerah Jawa Timur Tbk (03 August 2020 - present).



Appointment History

Appointed as Director of Finance for the First time at the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 15, 2017. Passed the Fit and Proper Test and declared effective by the Financial Services Authority (OJK) as Director of Finance based on Copy Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-232 / D.03 / 2017 Dated 22 December 2017.

Appointed as Pgs Director of Consumer, Retail and Sharia Business of PT Bank Pembangunan Daerah Jawa Timur Tbk since the issuance of the Decree on August 3, 2020 based on the Decree of the Members of the Board of Commissioners No. 059/008 / DK / KEP / 2020



Kepemilikan Saham Bank Jatim

717.633 shares



Erdianto Sigit Cahyono

Director of Compliance and Risk Management



Indonesian citizens, domicile in Malang. Born in Pasuruan in 1962, 58 years old as of December 2020.



Period of Office

2019 - until the closing of the GMS Annual Fiscal Year 2023 (Period First).



Double Function

Do not have concurrent positions in other companies or institutions.



Affiliate Relationship

Has no affiliation with members of the Board of Directors, other members of the Board of Commissioners or with controlling and major shareholders.



Educational Background

- Bachelor degree in Accounting Economics from Brawijaya University, Malang (1985).
- Master of Management from Gadjah Mada University, Yogyakarta (1993).



Certification

Risk Management Certification Level 5 by the Risk Management Certification Agency (2017).



Work Experience

- Head of Pagaralam Branch, Palembang Regional Office, PT Bank Rakyat Indonesia Tbk (1995-1998).
- Head of Muara Enim Branch, Palembang Regional Office of PT Bank Rakyat Indonesia Tbk (1998-2001).
- Head of Probolinggo Branch, Surabaya Regional Office, PT Bank Rakyat Indonesia Tbk (2001-2003).
- Head of Jakarta Branch, Pasar Minggu, Jakarta Regional Office of PT Bank Rakyat Indonesia Tbk (2003-2006).
- Head of Surabaya Kaliasin Branch, Surabaya Regional Office of PT Bank Rakyat Indonesia Tbk (2006-2009).
- Deputy Head of the Head Office Services Division of PT Bank Rakyat Indonesia Tbk (2009-2010).
- Deputy Regional Leader of the Palembang Office of PT Bank Rakyat Indonesia Tbk (2010-2011).
- Deputy Regional Head of Malang Office of PT Bank Rakyat Indonesia Tbk (2011-2013).
- Inspector of PT Bank Rakyat Indonesia Tbk Banjarmasin (2013-2014).
- Head of Division of Micro Business Development, Head Office of PT Bank Rakyat Indonesia Tbk (2014-2015).
- Regional Head of Palembang Office of PT Bank Rakyat Indonesia Tbk (2015-2016).
- Director of PT Bank BRI Syariah (2016-2017).
- Inspector of PT Bank Rakyat Indonesia Tbk Yogyakarta (2017-2018).
- Head of Internal Audit for the Jakarta Region I PT Bank Rakyat Indonesia Tbk (2018-2019).
- Director of Compliance and Risk Management of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-present).



Appointment History

Appointed as Director of Compliance and Risk Management 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 Director Compliance and Risk Management based on the Copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-189 / D.03 / 2019 dated 11 October 2019.



Bank Jatim Share Ownership

65,000 shares

— Division Leader Profile



Glemboh Priambodo

Corporate Secretary



Indonesian citizens, domicile in Surabaya. Born in Malang in 1970, 50 years old as of December 2020.



Educational Background

- Bachelor of Law Science from the University of Surabaya (1997).
- Master of Law Science from 17 August University Surabaya (2001).
- Master of Management from STIE ABI Surabaya (2003).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Corporate Secretary Division based on the Decree of the Board of Directors No. 057/384 / DIR / HCT / KEP dated 27 December 2018.



Employment History

Joined Bank Jatim in 1997. Before occupying the current position this, he once served as Branch Leader dr. Soetomo (2017-2018), Pjs. Branch Leader Dr. Soetomo (2016-2017), Senior Analyst Sub Division Priority Banking (2015-2016), Senior Analyst Sub Division External Communications (2015).



Eko Tri Prasetyo

Head of the Internal Audit Division



Indonesian citizens, domicile in Sidoarjo. Born in Surabaya in 1981, aged 39 as of December 2020.



Educational Background

- Telkom College of Technology majoring in Bachelor of Engineering (1999)
- Master of Information Technology from the University of Indonesia graduated (2006).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Internal Audit Division based on the Decree of the Board of Directors No. 057/384 / DIR / HCT / KEP dated 27 December 2018.



Employment history

Joined Bank Jatim in 2012. Prior to his current position, he served as Head of the IT Audit Sub Division, Internal Audit Division (2012).



Sismariyadi

Head of Consumer Credit Division



Indonesian citizens, domicile in Surabaya. Born in Boyolali in 1966, 54 years old as of December 2020.



Educational Background

- Bachelor of Economics from the Artha Boedi Iswara College of Economics, Surabaya (2001).
- Master of Management from the Jakarta Imni School of Management (2005).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Consumer Credit Division based on the Decree of the Board of Directors No. 057/383 / DIR / HCT / KEP dated 27 December 2018.



Employment History

Joined Bank Jatim in 1986. Prior to his current position, he was the Head of the Gresik Branch Operations Division (2013), Acting. Trenggalek Branch Manager (2014), Trenggalek Branch Manager (2015), Agribusiness and Retail Credit Sub Division Leader (2017), Acting. Head of Consumer Credit Division (2017).



Taufan Muhammad

Pleader of the Micro, Retail and Program Credit Division



Born in Ponorogo in 1964, 56 years old as of December 2020.



Educational Background

- Bachelor of Management Economics from Widyagama University Malang (2000).
- Master of Management from Brawijaya University Malang (2005).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Micro, Retail and Program Credit Division based on the Decree of the Board of Directors No. 057/119 / DIR / HCT / KEP dated 14 March 2018.



Employment History

Joined Bank Jatim in 1986. Prior to his current position, he served as Head of Operations at the Tulungagung Branch (2010), Acting. Trenggalek Branch Leader (2011), Trenggalek Branch Leader (2011), Sampang Branch Leader (2012), Pasuruan Branch Leader (2013), Head of Agribusiness and Retail Credit Policy Sub Division (2014), Madiun Branch Manager (2015), Acting Division Leader Agribusiness and Retail Credit (2017), Acting Leader of the Micro, Retail and Program Credit Division (2017).



Hermanto

Middle, Corporate and Syndicated Credit Division Leader



Indonesian citizens, domicile in Surabaya. Born in Lamongan in 1963, 57 years old as of December 2020.



Educational Background

- Bachelor of Economics from the Artha Boedi Iswara College of Economics, Surabaya (1990).
- Master of Management from the Artha Boedi Iswara College of Economics, Surabaya (2002).



Position History and Basis of Appointment

Since 2018 Served as Head of the Medium, Corporate and Syndicated Credit Division based on the Decree of the Board of Directors No. 057/384 / DIR / HCT / KEP dated 27 December 2018.



Employment History

Joined Bank Jatim in 1986. Prior to his current position, he served as Head of the Wijaya Kusuma Sub-Branch University (2011), Acting Leader of the Tulungagung Branch (2011), Head of the Tulungagung Branch (2013), Head of the Jakarta Branch (2015), Head of Banyuwangi Branch (2017), Acting Head of the Middle Credit Division, Corporations and Syndication (2018).



Umi Rodiyah

Head of Funds and Services Division



Indonesian citizens, domicile in Surabaya. Born in Probolinggo in 1966, 54 years old as of December 2020.



Educational Background

Bachelor of State Administration from Brawijaya University (1991).



Position History and Basis of Appointment

Since 2020 he has served as Head of the Funds and Services Division based on the Decree of the Board of Directors No. 059/285 / DIR / HCP / KEP dated 13 October 2020.



Employment History

Joined Bank Jatim in 1991. Prior to his current position, he served as Head of the Probolinggo Branch Operations (2009), Acting Leader of the Surabaya Silver Branch (2010), Leader of the Perak Branch, Surabaya (2010), Head of the Overseas Operations Sub Division. (2015), Surabaya Main Branch Business Leader (2016), Surabaya Main Branch Operational Leader (2017), Acting Head of Corporate Secretary Division (2018), Acting Head of Institutional and Business Relations Division (2018).



Budi Sumarsono

Head of the Human Capital Division



Indonesian citizens, domicile in Surabaya. Born in Madiun in 1966, 54 years old as of December 2020.



Educational Background

- Bachelor of Finance from Muhammdiyah University, Ponorogo (1992).
- Master of Law Science from Merdeka University, Ponorogo (1999).
- Master of Management from Widya Jayakarta University, Jakarta (2000).



Position History and Basis of Appointment

Since 2019 Served as Head of the Human Capital Division based on the Decree of the Board of Directors No. 058/225 / DIR / HCP / KEP dated 12 August 2019.



Employment History

Joined Bank Jatim in 1993. Prior to his current position, he served as Head of the Magetan Branch Operations (2013), Acting Head of the Probolinggo Branch (2014), Acting Head of the Gresik Branch (2015), Head of the Gresik Branch (2015), Head of Main Branch Operations (2017), Acting. Head of Compliance and Governance Division (2018), Acting. Leader of the International Banking Division (2018), Leader of the International Banking Division (2018).



Suci Isumiyarti

Business Risk Division Leader



Indonesian citizens, domicile in Surabaya. Born in Semarang in 1965, 55 years old as of December 2020.



Educational Background

Bachelor of French from Semarang State Institute of Teacher Training and Education (1989).



Position History and Basis of Appointment

Since 2020 he has served as Head of the Business Risk Division based on the Decree of the Board of Directors No. 059/285 / DIR / HCP / KEP dated 13 October 2020.



Employment History

Joined Bank Jatim in 1992. Prior to his current position, he served as Head of Operations for the Ngawi Branch (2011), Acting Head of the Kepanjen Branch (2012), Head of the Kepanjen Branch (2013), Head of the Tulungagung Branch (2014), Head of the Sub Division Corporate Secretary (2015), Branch Manager Malang (2015), Acting. Leader of the Strategic Planning Division (2017), Acting Leader of the Division of Institutional and Business Relations (2017), Leader of the Division of Institutional and Business Relations (2017), Leader of the Credit Risk Division (2018).



R. Haris Moeljanto

Leader of the Credit Settlement Division



Indonesian citizens, domicile in Surabaya. Born in Bangkalan in 1964, 56 years old as of December 2020.



Educational Background

- Bachelor of Accounting from Veteran National Development University (1988).
- Master of Human Resource Management from Mitra Indonesia College of Economics (2000).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Credit Settlement Division based on the Decree of the Board of Directors No. 057/360 / DIR / HCT / SK dated 23 November 2018.



Employment History

Joined Bank Jatim in 1989. Prior to his current position, he had served as Acting. Banyuwangi Sub Branch Manager (2012), RM Retail Credit Division (2013), RM Agribusiness, Retail and Mortgage Credit (2013), Agribusiness and Retail Credit Policy Sub Division Leader (2015), Bangkalan Branch Manager (2015), Main Branch Manager (2015).



Wardhana Suryaاتمaja

General Division Leader



Indonesian citizens, domicile in Surabaya. Born in Surabaya in 1967, aged 53 as of December 2020.



Educational Background

- Bachelor of Development Studies from Wijaya Putra University (1995).
- Master of Management from the Artha Bodhi Iswara School of Economics (1998).



Position History and Basis of Appointment

Since 2019 he has served as Head of the General Division based on the Decree of the Board of Directors No. 058/328/DIR/HCP/KEP dated 15 November 2019.



Employment History

Joined Bank Jatim in 1991. Prior to his current position, he served as Acting Head of the Madiun Branch (2015), Head of the Accounting Sub Division (2015), Acting Head of the Information Technology Division (2016), Head of the Information Technology Division (2018), Leader of the Product Development and Policy Division (2018).



Wahyu Kusumo Wisnubroto

Head of the Treasury Division



Indonesian citizens, domicile in Sidoarjo. Born in Yogyakarta in 1972, 48 years old as of December 2020.



Educational background

- Bachelor degree in Civil Engineering from the Bandung Institute of Technology (1998).
- Master of Management from Gadjah Mada University (2001).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Treasury Division based on the Decree of the Board of Directors No. 057/384 / DIR / HCT / KEP dated 27 December 2018.



Employment history

Joined Bank Jatim in 2002. Prior to his current position, he served as Head of Operations for the Ngawi Branch (2013), Head of Operations for the Jakarta Branch (2013), Pjs. Branch Manager HR Muhammad (2014), Branch Manager HR Muhammad (2014), Head of Treasury Sub Division (2015), Acting. Head of the International Banking Division (2017), Acting. Treasury Division Leader (2018).



Amiruddin

Head of the Financial Control Division



Indonesian citizens, domicile in Surabaya. Born in Sampang in 1963, 57 years old as of December 2020.



Educational Background

- Bachelor of Economics from the College of Economics (STIE) ABI, Surabaya (2003).
- Master of Financial Management from Narotama University Surabaya (2008).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Budget and Financial Control Division based on the Decree of the Board of Directors No. 057/383 / DIR / HCT / KEP dated 27 December 2018.



Employment History

Joined Bank Jatim in 1986. Prior to his current position, he served as ARM Credit Division (2008), ARM Agro Business and Retail Credit Division (2009), HR Division Manager (2010), Acting Head of ITATS Support Branch (2011), ITATS Sub Branch Leader (2011), Acting Kraksaan Branch Manager (2011), Kraksaan Branch Manager (2012), Mojokerto Branch Manager (2013), Sidoarjo Branch Manager (2014), Main Branch Business Leader (2016), Credit Sector Leader Main Branch (2016), Acting. Accounting Division Leader (2017).



Revi Adiana Silawati
Head of the Strategic Planning and
Performance Management Division



Indonesian citizens, domicile in Surabaya. Born in Solo in 1966, 54 years old as of December 2020.



Educational Background

- Bachelor of Management from Wijaya Putra University (1996).
- Master of Management from Airlangga University (2001).
- Financial Budgeting Short Course Program at Australia National University (2002).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Strategic Planning and Performance Management Division based on the Decree of the Board of Directors No. 057/154 / DIR / HCT / SK dated April 6, 2018.



Employment History

Joined Bank Jatim in 1985. Prior to his current position, he served as Head of Branch Operations, Dr. Soetomo (2001), Silver Branch Leader (2003), Bojonegoro Branch Manager (2006), Kediri Branch Manager (2009), Malang Branch Manager (2011), Corporate Secretary Leader (2012), Head of Services and Foreign Funds Division (2013), Leader of the Treasury Division (2015).



R. Arief Wicaksono
Information Technology Division Leader



Indonesian citizens, domicile in Sidoarjo. Born in Banyuwangi in 1970, 50 years old as of December 2020.



Educational Background

Bachelor of Electrical Engineering from the Surabaya Institute of Technology (1997).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Information Technology Division based on the Decree of the Board of Directors No. 057/384 / DIR / HCT / KEP dated 27 December 2018.



Employment History

Joined Bank Jatim in 2001. Prior to his current position, he served as Head of Operations for the Tuban Branch (2013), Acting Head of Sub Division of Human Capital Development (2014), Acting Leader of Bondowoso Branch (2015), Branch Manager of Bondowoso (2015), Branch Manager of Banyuwangi (2017), Acting Leader of the Treasury Division (2018), Acting Leader of the Information Technology Division (2018).



Affandi

Head of the Legal Division



Indonesian citizens, domicile in Surabaya. Born in Demak in 1963, 57 years old as of December 2020.



Educational Background

Bachelor of Law from Seventeen August University Semarang (1990).



Position History and Basis of Appointment

Since 2018 he has served as Head of the Legal Division based on the Decree of the Board of Directors Number: 057/383 / DIR / HCT / KEP dated 27 December 2018.



Employment History

Joined Bank Jatim in 1991. Prior to his current position, he served as RM of the Non-Performing Credit Management Unit (2014), RM Credit Risk Division (2015), Head of the Credit Risk Sub Division (2015), Acting Leader of the Credit Settlement Division (2017)), Acting Leader of the Legal Division (2018).



Kurmi Pujiharti

Acting Leader of the Sharia Business Division



Indonesian citizens, domicile in Jombang. Born in Nganjuk in 1966, 54 years old as of December 2020.



Educational Background

Bachelor of Management from Bengkulu University (1990).



Position History and Basis of Appointment

Since 2019 he has served as Acting Leader of the Sharia Business Division based on Letter Number: 059/2026 / HCP / LHC / PGS dated October 8, 2020.



Employment History

Joined Bank Jatim in 1993. Prior to his current position, he served as Acting Pimcapem Mojoagung Branch of Jombang (2012), Pimcapem Mojoagung Branch of Jombang (2013), Head of Jombang Branch Operations (2015), Head of Operations in the Sharia Business Unit Sharia Business Support Division (2015), Acting Leader of the Sharia Business Support Sub Division (2016), Leader of the Sharia Business Support Sub Division (2017).



Purboyo Sinugroho

Sharia Business Support Division Leader



Indonesian citizens, domicile in Surabaya. Born in Mataram in 1964, aged 56 as of December 2020.



Educational Background

- Bachelor of Agricultural Economics from Veterans National Development University (1989).
- Master of Management from Airlangga University (2003).



Position History and Basis of Appointment

Since 2018 he has served as Leader of the Sharia Business Support Division based on the Decree of the Board of Directors No. 057/247 / DIR / HCT / KEP dated 31 July 2018.



Employment History

Joined Bank Jatim in 1991. Prior to his current position, he served as Head of the Jakarta Branch Operations (2008), Jakarta Sub-Branch Manager (2009), Acting Sumenep Branch Manager (2011), Sumenep Branch Manager (2011), Leader Agribusiness and Retail Credit Sub Division (2012), Leader of the Agribusiness and Retail Credit Division (2015), Division Leader of the Spin Off Team for the Sharia Business Support Division (2016), Leader of the Sharia Business Division (2017).



Avantiono Hadiano

Leader of the Sharia Operations and Services Division



Indonesian citizens, domicile in Surabaya. Born in Bogor in 1965, aged 55 as of December 2020.



Educational Background

- Bachelor of Public Administration from Brawijaya University (1990)
- Master of Management from PPM Business School (2004).



Position History and Basis of Appointment

Since 2019 he has served as Leader of the Sharia Network and Service Operations Division based on the Decree of the Board of Directors No. 058/225 / DIR / HCP / KEP dated 16 August 2019.



Employment history

Joined Bank Jatim in 2009. Prior to his current position, he served as Head of the Sharia Business Support Division (2009), Sharia Business Support Division Spin-Off Team (2018).



Suprayitno

Acting Leader of Compliance and Governance Division



Indonesian citizens, domicile in Surabaya. Born in Magetan in 1963, 57 years old as of December 2020.



Educational Background

Bachelor of Economics at Gajayana University Malang (2004).



Position History and Basis of Appointment

Since 2020 he has served as Acting Head of the Compliance and Governance Division based on Letter Number: 059/2214 / HCP / OHC / PGS dated November 9, 2020.



Employment History

Joined Bank Jatim in 1990. Prior to his current position, he was Acting Pimcapem Watulimo Trenggalek Branch (2011), Pimcapem Watulimo Trenggalek Branch (2012), Acting Head of Kangean Branch (2014), Head of Internal Audit Sub Division (2015), Head Strategic Planning Sub Division (2015), Head of Compliance and Governance Sub Division (2016).



Rachman Subiyantoro

Operations Division Leader



Indonesian citizens, domicile in Surabaya. Born in Jember in 1969, 51 years old as of December 2020.



Educational Background

- Bachelor of Economics from Widyagama University Malang (1988).
- Master of Management from Dr. Soetomo (2001).



Position History and Basis of Appointment

Since 2020 Served as Head of the Operations Division based on the Decree of the Board of Directors No. 059/285 / DIR / HCP / KEP dated 13 October 2020.



Employment History

Joined Bank Jatim in 1993. Prior to his current position, he served as Head of the Tanggul Sub-Branch, Jember (2011), Head of Blitar Branch Operations (2011), Acting Head of Sumenep Branch (2013), Branch Manager of Sumenep (2013), Acting Leader of the Credit Risk Division (2017), President Director of Trinisat (2018), Head of the E-Banking Services Fund Division (2019).



Nur Eko Ardian

Leader of the Company's Risk Management Division



Indonesian citizens, domicile in Surabaya. Born in Surabaya in 1980, age 40 years as of December 2020.



Educational Background

- Bachelor of State Administration from Wijaya Putra University (2003).
- Master of State Administration from Wijaya Putra University (2005).



Position History and Basis of Appointment

Since 2019 he has served as Leader of the Company's Risk Management Division based on the Decree of the Board of Directors Number 058/225 / DIR / HCP / KEP dated 12 August 2019.



Employment History

Joined Bank Jatim in 2004. Branch Manager Kepanjen (2015), Acting. Compliance Division Leader (2017), Compliance and Governance Division Leader (2018), Human Capital Division Leader (2018).

— Employee Competency Profile and Development

Number of Employees by Organization Level

Table of Number of Employees Based on Organization Level

(in person units)

Organization Level	2020			2019		
	Men	Woman	Total	Men	Woman	Total
NO	297	2	299	305	2	307
S, C & T	1.487	1.143	2.630	1.572	1.149	2.721
PtL, Pngl, PK, Au, ARM dan An	381	426	807	357	437	794
PBO, PCP, S.Au & RM	145	125	270	152	131	285
PSD, PC & PB	71	22	93	79	27	106
PD & PCU	18	3	21	22	3	25
Total	2.399	1.721	4.120	2.489	1.749	4.238

Information:

NO	Non Administration	PCP	Sub Branch Manager
S, C, & T	Staff, Prospective Employees & Employment Contracts	S.Au	Senior Auditor
PtL	Supervisor	RM	Relationship Manager
PK	Head of the Cash Office	PSD	Sub Division Leader
Au	Auditor	PC	Branch Manager
ARM	Assistant Relations Manager	PB	Field Leader
An	Analyst	PD	Division Leader
PBO	Operational Leader	PCU	Main Branch Manager
Pngl	Manager		

Number of Employees by Level of Education

Table of Number of Employees Based on Education Level

(in person)

Level of education	2020			2019		
	Men	Woman	Total	Men	Woman	Total
Non Strata	371	194	565	389	179	568
S1	1.905	1.445	3.350	1.971	1.490	3.462
S2	122	82	204	128	79	207
S3	1	-	1	1	-	1
Total	2.399	1.721	4.120	2.489	1.749	4.238

Number of Employees Based on Employment Status

Table of Number of Employees Based on Employment Status

(in person)

Employment status	2020			2019		
	Men	Woman	Total	Men	Woman	Total
Permanent employee	2.308	1.713	4.120	2.374	1.713	4.087
Temporary employees	91	8	99	115	36	151
Outsourcing	1.715	415	2.130	1.687	405	2.092
Total			6.250			6.330

Number of Employees by Age Level

Table of Number of Employees Based on Age Level

(in person)

Age	2020			2019		
	Men	Women	Total	Men	Women	Total
<30 Years	253	294	547	407	408	815
30-54 Years	2.026	1.375	3.401	1.954	1.294	3.026
> 54 Years	120	52	172	128	47	397
TOTAL	2.399	1.721	4.120	2.489	1.749	4.238

Number of Employees by Gender

Table of Number of Employees by Gender

(in person)

Employment status	2020	2019
Men	2.399	2.489
Woman	1.721	1.749
Total	4.120	4.238

Employee Competency Development

Competency Development Policy

The competency development program implemented by Bank Jatim in 2020 is based on priority criteria, namely programs whose results will have a major impact on the achievement of Bank Jatim business performance and which are absolutely needed by employees in carrying out their duties / jobs.

In developing competencies in the Bank Jatim environment, it is carried out in-house training (training held by Bank Jatim, which can be implemented in collaboration with external parties (vendors) as well as those held by Bank Jatim Internal parties) and public training (training held by external parties / vendors).

Competency Development Based on Office Levels

The competency development that has been carried out by Bank Jatim based on position level can be explained below.

Table of Competency Development Based on Position Level in 2020

No.	Position Level	Type of Education (Based on Competence)	Training Objectives	Number of Employees Who Have Followed	Percentage of Students Who Have Attended Training for Each Level of Position	Percentage That Has Attended Training For Each Type of Training (Competency)
1	S,C & T	Core Banking Sistem Software	Able to design and program using application module products according to the needs of their functional areas.	29	1%	145%
			Update on the development of the Financial Information Service System (SLIK) policy and SLIK reporting issues from the authorities.	2	0%	10%
			Able to design and program using application module products according to the needs of their functional areas.	2	0%	10%

No.	Position Level	Type of Education (Based on Competence)	Training Objectives	Number of Employees Who Have Followed	Percentage of Students Who Have Attended Training for Each Level of Position	Percentage That Has Attended Training For Each Type of Training (Competency)
			Can sharpen the ability to use the estimation menu for Bank Notes transactions.	38	1%	190%
		IT Security	Assist IT Security to ensure the security of the Bank's system from cyber threats and attacks	2	0%	10%
			Assist IT Security to ensure the security of the Bank's system from cyber threats and attacks.	12	0%	60%
		Contractual Agreement	Able to design an agreement / engagement package with mutually supportive terms and conditions.	10	0%	50%
			Provide understanding in restructuring debtor financing affected by COVID-19.	68	3%	340%
		Auditing	Able to prepare a more in-depth and specific audit work program.	22	1%	110%
		Inventory/ Warehouse Management	Able to carry out the process of procuring goods and services in accordance with the provisions	4	0%	20%
			Able to understand the process of procuring goods and services within the company in accordance with the provisions.	5	0%	25%
		Marketing Communication	Participants are better able to identify every need and massive development of information technology to improve corporate communication.	7	0%	35%
		Services	Able to create empathy in communicating with customers.	4	0%	20%
		Strategi Planning	Able to formulate strategies to maintain bank liquidity resilience and be able to find sources of funding under dry liquidity.	15	1%	75%
			Understand digital banking techniques and strategies to change the banking map.	11	0%	55%
		Performance Management	Can apply in making sustainable reporting including green banking reports.	20	1%	100%
		Credit Analysis	Able to explain the basic elements of credit facilities in accordance with applicable regulations.	58	2%	290%
		Credit Administration & Reporting	Provide an understanding of credit administration as a means of risk mitigation and to ensure credit can be processed according to applicable regulations.	3	0%	15%
		Fundamental of Banking	To provide an understanding of Islamic banking.	14	1%	70%
		Internal Control & Compliance	Participants are able to apply the provisions regarding AML-CFT.	902	34%	4510%
		Banking Operations	Understanding restructuring as one way of suppressing NPLs.	86	3%	430%
			Understand Priority Banking and conduct Priority Banking operational activities in accordance with applicable regulations.	58	2%	290%
			Able to operate individual customer data applications, upload account level salaries, and open customer data and mass accounts	77	3%	385%
		Operational Risk Management	Participants are able to apply the branch risk profile and apply it in routine reporting activities properly according to the BPP.	52	2%	260%
		Treasury Operation	Provide refreshment for employees as professional bankers who have passed the Basic Level Treasury Dealer exam and also maintain the Treasury certification according to its validity period.	2	0%	10%

No.	Position Level	Type of Education (Based on Competence)	Training Objectives	Number of Employees Who Have Followed	Percentage of Students Who Have Attended Training for Each Level of Position	Percentage That Has Attended Training For Each Type of Training (Competency)
		Financial Accounting	Able to manage the twin disruptions "Financial Technology Dirupsi and Climate Dirupsi.	19	1%	95%
		Sales Forecasting	Increase product sales to improve the skills of marketers in persuasive and suggestive communication.	35	1%	175%
			Understanding Boosting Sales With Neuro Linguistic Program.	20	1%	100%
		Credit Process	Able to apply the credit process through SIKASEP (Housing Subsidized KPR Information System) properly.	72	3%	360%
		Banking Law & Regulations	Understanding BPP Main Duties Functions of Legal Credit Administration Group Authorities.	79	3%	395%
	AMOUNT	1.728				
2	PLL, Pngl, Pk ,Au, Arm & An	Marketing Communication	Able to understand business to business sales techniques in the next normal era.	17	2%	113%
		Operational Risk Management	Participants are able to apply the branch risk profile and apply it in routine reporting activities properly according to the BPP.	9	1%	60%
			Participants are able to apply the branch risk profile and apply it in routine reporting activities properly according to the BPP.	39	5%	260%
		Banking Law & Regulations	Understand the legal aspects of solving problem loans.	10	1%	67%
			Understanding BPP Main Duties Functions of Legal Credit Administration Group Authorities.	77	10%	513%
			Able to apply the prevailing laws, regulations and provisions in carrying out tasks or jobs.	3	0%	20%
		Contractual Agreement	Able to design an agreement / engagement package with mutually supportive terms and conditions	12	1%	80%
			Able to analyze in restructuring debtor financing affected by COVID-19	253	31%	1687%
		IT Security	Assist IT Security to ensure the security of the Bank's system from cyber threats and attacks.	5	1%	33%
			Able to take preventive measures in order to maintain data / information security / security in the IT network.	9	1%	60%
		Core Banking Sistem Software	Update on the development of SLIK policies and SLIK reporting problems from the authorities.	6	1%	40%
			Able to design and program using application module products according to the needs of their functional areas	6	1%	40%
		Strategic Planning	Understand digital banking techniques and strategies to change the banking map	15	2%	100%
		Credit Analysis	Able to carry out a SWOT analysis of the debtor's condition, seen from: Financial conditions, microeconomic conditions, macroeconomic conditions, conditions of market competition, ongoing socio-political conditions.	9	1%	60%
			Participants can carry out credit analysis appropriately in accordance with the BPP and applicable regulations.	18	2%	120%
			Participants are able to perform credit risk mitigation analysis in accordance with applicable regulations	6	1%	40%
		Sales Forecasting	Increase product sales to improve the skills of marketers in persuasive and suggestive communication.	29	4%	193%
		Treasury Operation	Able to process Treasury transactions in accordance with applicable procedures and regulations.	3	0%	20%

No.	Position Level	Type of Education (Based on Competence)	Training Objectives	Number of Employees Who Have Followed	Percentage of Students Who Have Attended Training for Each Level of Position	Percentage That Has Attended Training For Each Type of Training (Competency)
		Auditing	Able to prepare a more in-depth and specific audit work program.	14	2%	93%
			Able to implement anti-fraud strategies according to POJK NO.39 / POJK.03 / 20.	3	0%	20%
		Inventory/ Warehouse Management	Able to understand the process of procuring goods and services within the company in accordance with the provisions.	14	2%	93%
		Fundamental of Banking	To provide an understanding of Islamic banking.	9	1%	60%
		Risk Management Fundamentals	Provide refresher for employees as professional bankers who have passed the risk management certification exam and also maintain risk management certification according to its validity period.	1	0%	7%
			Able to mitigate credit risk in accordance with applicable regulations.	4	0%	27%
		Banking Operation	Understand Priority Banking and conduct Priority Banking operational activities in accordance with applicable regulations.	33	4%	220%
			Able to operate QRIS application.	32	4%	213%
	AMOUNT			636		
3	Pbo, Pcp, S.au & Rm	Auditing	Able to implement anti-fraud strategy in accordance with POJK No. 39 / POJK.03 / 20.	14	5%	108%
		Core Banking Sistem Software	Update on the development of SLIK policies and SLIK reporting problems from the authorities.	8	3%	62%
			Able to design and program using application module products according to the needs of their functional areas.	5	2%	38%
		Banking Law & Regulations	Understand the legal aspects of solving problem loans.	15	6%	115%
		Financial Accounting	Able to compile Sustainable Finance in the financial services industry sector.	5	2%	38%
			Able to identify the strengths and weaknesses of the internal control system, and if possible make suggestions to improve system performance.	5	2%	38%
		Strategic Planning	Understand digital banking techniques and strategies to change the banking map.	6	2%	46%
		Loan Remedial	Able to provide analysis or legal implications for debtor's credit restructuring / settlement strategies.	13	5%	100%
		Risk Management Fundamentals	Provide refresher for employees as professional bankers who have passed the risk management certification exam and also maintain risk management certification according to its validity period.	19	7%	146%
			Provide refresher for employees as professional bankers who have passed the risk management certification exam and also maintain risk management certification according to its validity period.	19	7%	146%

No.	Position Level	Type of Education (Based on Competence)	Training Objectives	Number of Employees Who Have Followed	Percentage of Students Who Have Attended Training for Each Level of Position	Percentage That Has Attended Training For Each Type of Training (Competency)
		Credit Analysis	Able to carry out a SWOT analysis of the debtor's condition, seen from: Financial conditions, microeconomic conditions, macroeconomic conditions, conditions of market competition, ongoing socio-political conditions.	184	68%	1415%
		Contractual Agreement	Able to design an agreement / engagement package with mutually supportive terms and conditions	4	1%	31%
		Fundamental of Banking	To provide an understanding of Islamic banking.	6	2%	46%
		Internal Control & Compliance	Be able to identify suspicious financial transactions.	2	1%	15%
		Treasury Operation	Provide refreshment for employees as professional bankers who have passed the Basic Level Treasury Dealer exam and also maintain the Treasury certification according to its validity period.	1	0%	8%
		Performance Management	Able to increase productivity, creativity and initiative so as to foster enthusiasm that can drive success.	5	2%	38%
	AMOUNT	311				
4	Psd, Pc & Pb	Strategic Planning	Able to use various strategic management tools and integrate them in developing a corporate strategy.	12	13%	100%
			Able to compile and design a Sharia Business strategy in dealing with the impact of COVID-19.	2	2%	17%
		IT Security	Assist IT Security to ensure the security of the Bank's system from cyber threats and attacks.	8	9%	67%
			Able to take preventive measures in order to maintain data / information security / security in the IT network.	1	1%	8%
		Contractual Agreement	Able to design an agreement / engagement package with mutually supportive terms and conditions.	1	1%	8%
		Risk Management Fundamentals	Provide refresher for employees as professional bankers who have passed the risk management certification exam and also maintain risk management certification according to its validity period.	9	10%	75%
		Internal Control & Compliance	Able to understand the procedures and policies of the internal operational system in each functional area.	7	7%	58%
		Marketing Communication	Participants are better able to speak in a structured and effective manner in public.	2	2%	17%
		Performance Management	Can manage and supervise all activities carried out to improve performance or business in the work unit, so as to be able to gain market share that is already controlled by its competitors and can maintain the existing business by minimizing the risks that may arise.	25	27%	208%
			In order to be able to make innovative, more developed and less monotonous products amid the varied needs of the banking business.	5	5%	42%
		Corporate Law	Participants can manage the legal risks of restructuring.	5	5%	42%
		Business Performance Management	Able to design strategic performance management systems for both corporate and group levels (linkages between strategy, performance and business processes at both corporate and group levels).	5	5%	42%
		Fundamental of Banking	To provide an understanding of Islamic banking.	2	2%	17%

No.	Position Level	Type of Education (Based on Competence)	Training Objectives	Number of Employees Who Have Followed	Percentage of Students Who Have Attended Training for Each Level of Position	Percentage That Has Attended Training For Each Type of Training (Competency)
		Loan Remedial	Able to provide analysis or legal implications for debtor's credit restructuring / settlement strategies.	5	5%	42%
		Core Banking Sistem Software	Able to design and program using application module products according to the needs of their functional areas.	3	3%	25%
	AMOUNT			92		
5	Pd & Pcu	Auditing	Able to analyze the impact of a regulation, provision or law on organizational performance and operations.	5	24%	63%
		Performance Management	In order to be able to make innovative, more developed and less monotonous products amid the varied needs of the banking business.	12	57%	150%
		Strategic Planning	Able to design new strategic management tools.	12	57%	150%
		IT Security	Able to develop strategic management tools that are used according to the needs of the organization.	13	62%	163%
			Able to take preventive measures in order to maintain data / information security / security in the IT network.	2	10%	25%
		Business Performance Management	Able to design strategic performance management systems for both corporate and group levels (linkages between strategy, performance and business processes at both corporate and group levels).	12	57%	150%
		Credit Risk Management	Able to identify and analyze and create a credit risk management concept approach and new measuring tools to anticipate future risks.	15	71%	188%
		Risk Management Fundamentals	Provide refresher for employees as professional bankers who have passed the risk management certification exam and also maintain risk management certification according to its validity period.	15	71%	188%
		Financial Accounting	Able to manage the twin disruption of "Financial Technology and Climate Dirupsi".	17	81%	213%
			Understand the concept of International Anti Money Laundering and how it is applied nationally.	22	105%	275%
	AMOUNT			125		

Evaluation of Competency Development Implementation

Education and training activities are one of the activities in an effort to develop employee competencies. To determine the effectiveness of the implementation of education and training in improving the competence of Bank Jatim employees, it is carried out by conducting an evaluation of the implementation of the training. The scope of evaluation for the implementation of education and training includes:

- 1) **Reaction Level**, evaluation of participant satisfaction responses to the education and training organizers, using evaluation sheets for resource persons and participant evaluations of the training administrators.

- 2) **Learning**, Measurement of participants about competency knowledge, skills and attitudes. To measure the competence of knowledge using pre-test and post-test questions.

The results of the evaluation of the implementation of education and training in 2020 stated that the results of the participants' evaluation of the organizers (reaction level) showed the general average results in every aspect were satisfactory, while the results of the evaluation of the participants' measurement of competence had increased (meaning that the training participants had increased knowledge in participating in the training program).

Competency Development Costs

In 2020, Bank Jatim implemented competency development for employees as many as 197 times by involving 2,169 employees and spending 6,014 mandays. The costs incurred by Bank Jatim in the context of competency development amounted to IDR 7,249,565,481, decreased from the costs incurred in 2019 of IDR 20,249,920,869. This reduction in costs is due to the COVID-19 pandemic in 2020 so that the implementation of the employee competency development program that has been planned cannot be implemented all.

Table of Competency Development Costs for 2019-2020

Description	2020	2019	Pertumbuhan
Number of Training Programs	197	434	(120,30%)
Number of Training Participants (Person)	2.169	2.311	(6,14%)
Total Mandays (Days)	6.014	14.032	(57,14%)
Total Cost (Rp)	7.249.565.481	20.249.920.869	(64,20%)

Table of Number of Employee Competency Development

2019				
Public Training	262	301	13970	46,41
In House Training	148	1.999	97.903	48,98
Board of Commissioners & Directors	24	11	383	34,82
2020				
Public Training	113	983	22.110	22,49
In House Training	72	1.176	25.612	21,78
Board of Commissioners & Directors	12	10	390	39,00

— Shareholders Composition

Table of Composition of Bank Jatim Shareholders as of December 2020

Shareholders	Share Ownership Structure		
	Number of Shares	Value (Rp)	Ownership (%)
Series A Shares			
East Java Provincial Government	7.676.913.648	1.919.228.412.000	51,13%
City of Surabaya	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 City	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%
Stone Town	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 District	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%

Shareholders	Share Ownership Structure		
	Number of Shares	Value (Rp)	Ownership (%)
Nganjuk Regency	77.217.854	19.304.463.500	0,51%
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%
Series B Shares			
Public	3.081.350.100	770.337.525.000	20,52%
TOTAL	15.015.498.082		100%

Composition of 20 Largest Shareholders

Composition Table of 20 Largest Shareholders of Bank Jatim as of December 2020

No	Shareholders	Number of Shares	Status	Ownership (%)
1	PT KOREA INVESTMENT AND SEKURITAS INDONESIA	66.469.900	INDONESIAN INDIVIDUALS	2,16%
2	RD PREMIER ETF INDO STATE- OWNED COMPANIES-889064000	34.336.116	INDONESIAN INDIVIDUALS	1,11%
3	REKSA DANA SAM INDONESIA EQUITY FUND- 846654000	25.530.700	MUTUAL FUND	0,83%
4	PT MNC SEKURITAS	122.854.300	INDONESIAN INDIVIDUALS	3,99%
5	PANIN SEKURITAS, PT	18.094.800	INSURANCE	0,59%
6	PT INDO PREMIER SEKURITAS	35.311.000	INDONESIAN INDIVIDUALS	1,15%
7	PT PRUDENTIAL LIFE ASSURANCE - REP	20.106.000	LIMITED COMPANY	0,65%
8	PT PRUDENTIAL LIFE ASSURANCE - REF	22.270.100	LIMITED COMPANY	0,72%
9	PT SWANDANA WITANANTA SEJAHTERA	22.000.000	LIMITED COMPANY	0,71%
10	PT MIRAE ASSET SEKURITAS INDONESIA	42.587.000	INDONESIAN INDIVIDUALS	1,38%
11	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	253.711.100	INSTITUTION - FOREIGN	8,23%
12	CITIBANK NEW YORK S/A EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV DIMENSIONS GRP INC.	38.783.300	INSTITUTION - FOREIGN	1,26%
13	CITIBANK LONDON S/A MUTUAL FUND EQ EMERGING DIVIDEND (UCITS)	200.000.000	INSTITUTION - FOREIGN	6,49%
14	BNYM RE ACADIAN EM MKTS SM ALL CAP EQ FD LLC- 2039925167	44.778.490	INSTITUTION - FOREIGN	1,45%
15	SSB WTAU S/A WISDOMTREE EMERGING MRKTS SC DIV FUND-2144614648	42.794.900	INSTITUTION - FOREIGN	1,39%

No	Shareholders	Number of Shares	Status	Ownership (%)
16	SSB 64DY S/A BERNSTEIN FD,INC.-INTL SMALL CAP PRTF-2144616206	48.700.500	INSTITUTION - FOREIGN	1,58%
17	DZ PRIVATBANK S/A CH GALILEO ASIA FUND	35.898.900	INSTITUTION - FOREIGN	1,17%
18	THE NT TST CO S/A CIM INVESTMENT FUND ICAV	150.000.000	INSTITUTION - FOREIGN	4,87%
19	NT TST CO S/A EDGBASTON ASIAN EQUITY TRUST	92.989.900	INSTITUTION - FOREIGN	3,02%
20	NT TST CO S/A EDGBASTON ASIAN EQUITY (JERSEY) TRUST	60.199.900	INSTITUTION - FOREIGN	1,95%

Shareholders Composition 5% or More

Table of Shareholders Composition of 5% or More in Bank Jatim as of December 2020

Shareholders Name	Number of shares	Ownership (%)
Regional Government of East Java Province	7.676.913.648	51,13

Community Shareholders Composition Less than 5%

Table of Composition of Community Shareholders Less than 5% Bank Jatim as of December 2020

Public Share Ownership	amount Shareholders	amount Stock	Ownership (%)
Domestic			
Individual	45.982	1.238.070.344	8,24528
Local government	39	11.934.147.982	79,47887
Employees	2	124.500	0,00083
Cooperative	2	1.025.000	0,00683
Foundation	15	13.279.900	0,08844
Pension fund	9	57.870.500	0,38541
Insurance	1	1.120.500	0,00746
Limited company	48	71.878.036	0,47689
Financial institutions	1	15.348.713	0,10222
Mutual Funds	15	66.170.118	0,44068
Sub-Total	46.114	13.339.035.593	89,23471
International			
Individual	24	2.024.700	0,01348
Foreign corporation	184	1.614.437.789	10,75181
Sub-Total	208	1.616.462.489	10,76529
TOTAL	46.322	15.015.498.082	100,00000

Share Ownership of The Board of Commissioners and The Board of Directors

Table of Share Ownership for the Board of Commissioners and Directors of Bank Jatim

No.	Name	Position	Number of shares	Percentage of Ownership
BOARD OF COMMISSIONERS				
1.	Akhmad Sukardi	President Commissioner	833.600	0,0055516
2.	Rudi Purwono	Commissioner	-	-
3.	Candra Fajri Ananda	Independent Commissioner	-	-
4.	Budi Setiawan	Independent Commissioner	-	-
5.	Muhammad Mas'ud	Independent Commissioner	-	-
6.	Heru Tjahjono	Commissioner	-	-
BOARD OF DIRECTOR				
1.	Busrul Iman	President Director	982.200	0,0065412
2.	Erdianto Sigit Cahyono	Compliance & Risk Management Director	65.000	0,0004329
3.	Rizyana Mirda	Director of Business Risk	3.443.733	0,0229345
4.	Ferdian Timur S.	Director of Finance	717.633	0,0047793
5.	Tonny Prasetyo	Director of IT & Operations	90.400	0,0006020
TOTAL			6.132.566	0,0408415

As of December 31, 2020, there is no indirect share ownership by the Board of Commissioners and Directors.

Buying / Selling of Shares of The Board of Commissioners and The Board of Directors

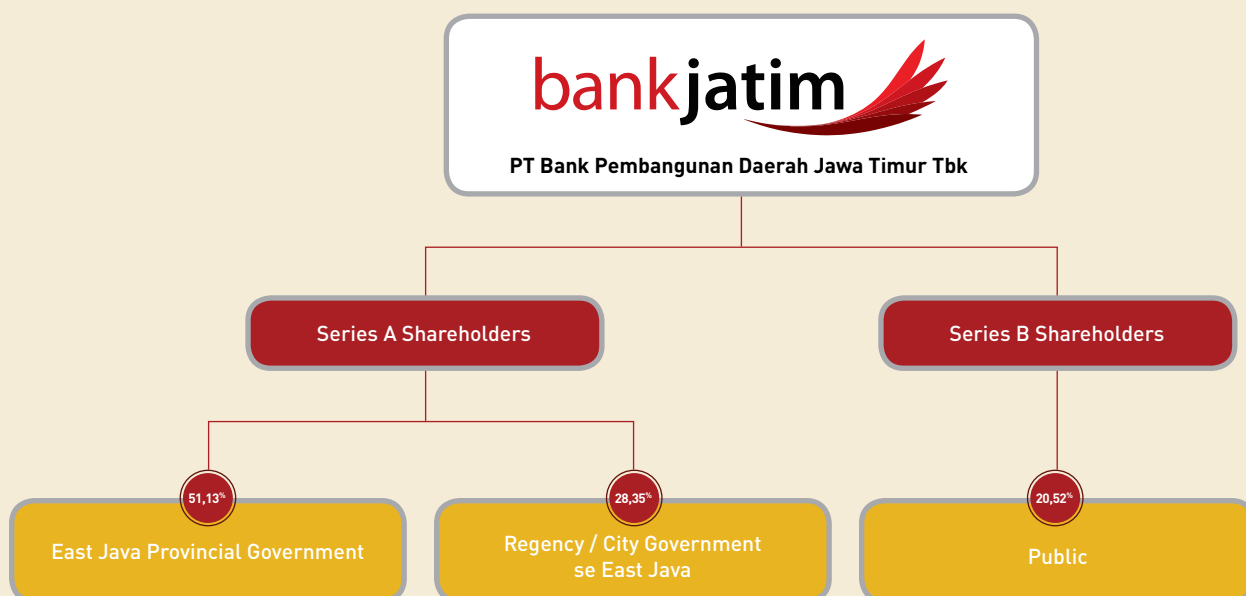
No	Name	Position	Transaction	Number of Shares Before Transaction	Purchase Amount / Sales	Stock price	Number of Shares After Transaction	Reporting
1	Ferdian Timur Satyagraha	Director of Finance	Purchase	4.774.933	292.600	409	5.037.533	February 26, 2020
2	Rizyana Mirda	Director of Business Risk	Purchase	1.094.133	1.019.400	409	2.113.533	February 27, 2020
3	Ferdian Timur Satyagraha	Director of Finance	Purchase	5.037.533	240.800	409	5.278.333	February 28, 2020
4	Ferdian Timur Satyagraha	Director of Finance	Purchase	5.278.333	20.800 766.700	409 599	5.825.033	09 March 2020
5	Rizyana Mirda	Director of Business Risk	Purchase	2.113.533	20.800 891.800	409 599	3.026.133	March 10, 2020
6	Busrul Iman	President Director	Purchase	0	20.800 891.800	409 599	912.600	March 13, 2020
7	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Purchase	0	20.800	409	20.800	March 13, 2020
8	Tonny Prasetyo	Director of IT & Operations	Purchase	0	20.800	409	20.800	March 13, 2020
9	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Purchase	20.800	10.000	438	40.800	April 08, 2020

No	Name	Position	Transaction	Number of Shares Before Transaction	Purchase Amount / Sales	Stock price	Number of Shares After Transaction	Reporting
10	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Sales	40.800	10.000 20.000 10.800	560 575 580	0	April 27, 2020
11	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Purchase	0	20.000	560	20.000	April 27, 2020
12	Ferdian Timur Satyagraha	Director of Finance	Sales	6.065.833	3.000.000	545	3.065.833	06 May 2020
13	Ferdian Timur Satyagraha	Director of Finance	Sales	3.065.833	2.765.800	550 545 540	300.033	06 May 2020
14	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Purchase	20.000	10.000	480	30.000	15 May 2020
15	Tonny Prasetyo	Director of IT & Operations	Purchase	20.800	69.600	490	90.400	02 June 2020
16	Busrul Iman	President Director	Purchase	912.600	69.600	490	982.200	02 June 2020
17	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Purchase	30.000	69.600	490	99.600	02 June 2020
18	Ferdian Timur Satyagraha	Director of Finance	Purchase	300.033	417.600	490	717.633	02 June 2020
19	Rizyana Mirda	Director of Business Risk	Purchase	3.026.133	417.600	490	3.443.733	02 June 2020
20	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Sales	99.600	29.600	540	70.000	10 July 2020
21	Erdianto Sigit Cahyono	Director of Risk Management & Human Capital	Sales	70.000	5.000	685	65.000	11 December 202

— List of Subsidiaries, Washing Entities and/or Associated Entities

As of December 31, 2020, Bank Jatim did not have Subsidiaries / Associated Entities so there is no information available regarding: Name of subsidiaries and/or associates; Share ownership percentage; Information regarding the line of business of the subsidiary and/or associated entity; and a description of the operating status of the subsidiary and/or associate (already operating or not yet operating).

— Company Group Structure



As of December 31, 2020, Bank Jatim has no Subsidiaries, Associated Entities, Joint Ventures and Special Purpose Vehicles (SPV).

— Chronology of Issuance of Shares

Bank Jatim issued 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 2,983,537,000 new shares (Series B) at an offering price of Rp430 per share, so that the total number of shares to be listed on the Indonesia Stock Exchange totaled 14,768,508,132 (fourteen billion seven hundred sixty eight million five hundred eight million thousand one hundred

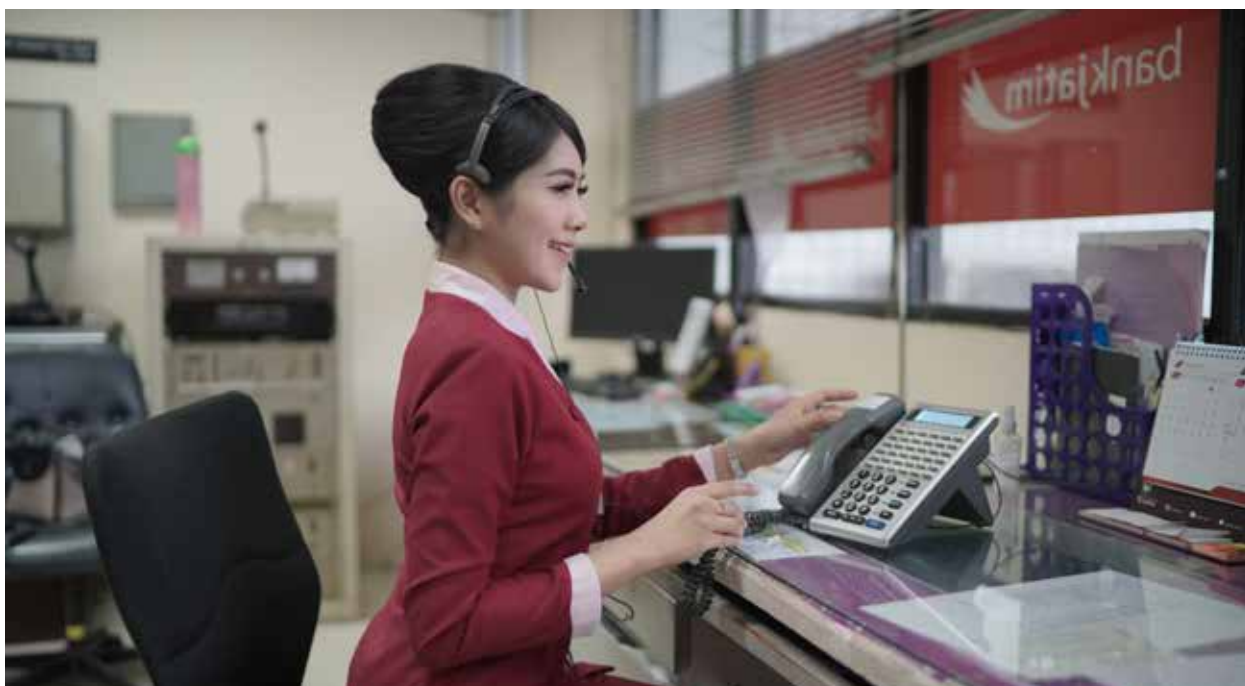
and thirty two) shares or 99% (ninety nine percent) of the total issued and fully paid capital after the Public Offering. Of the total number of shares offered as much as 10% (ten percent) will be allocated to employees and the Company's Management through the ESA (Employee Stock Allocation) Program and Bank Jatim has implemented the MESOP (Management Employee Stock Option Plans) program from 2016 to 2020 with the addition of new shares (Series B) amounting to 13,127,500 shares. So that the total Paid-up Capital on December 31, 2020 will be Rp. 3,753,874,520,500 or equivalent to 15,015,498,082 shares.

Name of 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 (Rp)	Offer Price (Rp)
1.	Prior to 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
	2019				599
8.		MESOP Exercise I 2019	Series B Shares	250	409
					599
9.		MESOP Exercise II 2019	Series B Shares	250	450
	2020				409
10.		MESOP Exercise I 2020	Series B Shares	250	599



Number of Shares Issued	Issued and Paid Up Capital		
	Number of shares	Total value Nominal (Rp)	Total Bid Price (Rp)
-	-	-	-
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	15.015.498.082	3.753.874.520.500	4.069.606.000
3.163.900			1.294.035.100
9.963.600			5.968.196.400

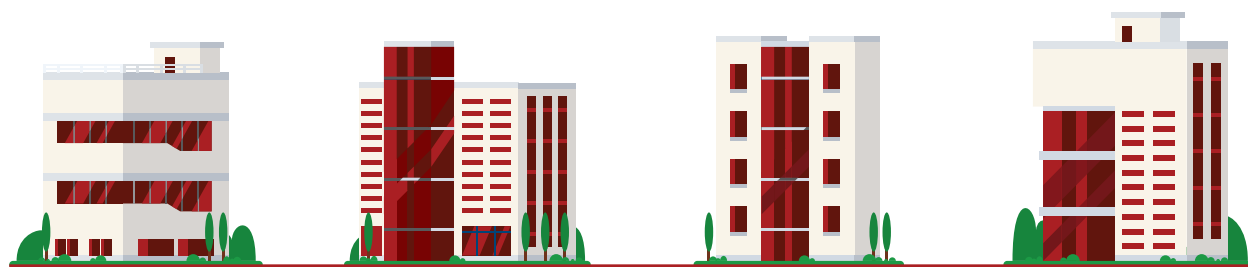
— The Chronology of Issuance and/or Bonds

As of December 31, 2020, Bank Jatim had not issued any bonds, so there is no information on the chronology of the issuance and / or recording of bonds.

— Chronology of Issuance and/or Listing of Other Securities

As of December 31, 2020, Bank Jatim had not issued other securities, so there is no information on the chronology of other securities issuance and / or listing.

— Name and Address of Supporting Institutions and/or Professionals



Public Accounting Firm

**KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan
(RSM Indonesia)**

Soho Skyloft Unit 1888-1898 Ciputra World Surabaya
Jl. Mayjen Sungkono No 89
Kota Surabaya – Sawahan
Jawa Timur 60224, Indonesia
Telp : (031) 99533999
Fax : (031) 99532121

Services provided:
Financial Report Audit

Periode Penugasan:
Book Year 2020

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:
Book Year 2020

Securities Rating

PT Pemeringkat Efek Indonesia (PEFINDO)

Panin Tower-Senayan City, Lantai 17,
Jl. Asia Afrika Lot 19 Jakarta 12170
Telp : (021) 727 82380
Fax : (021) 727 82370
Web : www.pefindo.com

Services provided:

Issuing ratings for debt securities issuance

Assignment Period:

Book Year 2020

KJPP Susan Widjojo & Rekan

Menara Batavia, lantai 28 Jalan KH Mas Mansyur Kav.
120, Jakarta 10220
Telp : (021) 5795 0155

Services provided:

Issuing ratings for debt securities issuance

Assignment Period:

Book Year 2020

Notary Public

Sitairesmi 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:

Making Authentic Deeds regarding all deeds,
agreements, and provisions.

Assignment Period:

Book Year 2020

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 custody of assets such as stocks, bonds, and
carry out administrative duties for its clients

Assignment Period:

Book Year 2020

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
entire value of the securities issued to the issuer

Assignment Period:

Book Year 2020

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
entire value of the securities issued to the issuer

Assignment Period:

Book Year 2020

Awards and Certifications

Award



Award Name:
Rank IV SLE Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank I Engagement Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank I of Satpam Satisfaction

Event:
3rd Satisfaction, Loyalty, And Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank II Satisfaction Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank I Customer Influence 2020

Event:
3rd Satisfaction, Loyalty, And Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank I Customer Knowledge Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank II Customer Purchase Index
2020

Event:
3rd Satisfaction, Loyalty, And
Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank I Referral Index 2020

Event:
3rd Satisfaction, Loyalty, And
Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank I 2020 Customer Service
Satisfaction

Event:
3rd Satisfaction, Loyalty, And
Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank I Satisfaction Index 2020 Teller

Event:
3rd Satisfaction, Loyalty, And
Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank II 2020 Physical Satisfaction
Index

Event:
3rd Satisfaction, Loyalty, And
Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Rank II Satisfaction Index 2020 ATM

Event:
3rd Satisfaction, Loyalty, And
Engagement (SLE) Awards 2020

Organizer:
Infobank

Date:
February 20, 2020



Award Name:
Bronze Winner for Social Media Sub
Category

Event:
PR Indonesia Awards (PRIA)

Organizer:
PR Indonesia

Date:
April 20, 2020



Award Name:
Bronze Winner for Sustainability
Business Sub Category

Event:
PR Indonesia Awards (PRIA)

Organizer:
PR Indonesia

Date:
April 20, 2020



Award Name:
Platinum Winner for BUMD &
Regional Company Category

Event:
PR Indonesia Awards (PRIA)

Organizer:
PR Indonesia

Date:
April 20, 2020



Award Name:
Bronze Winner Sub Category
Profile Videos

Event:
PR Indonesia Awards (PRIA)

Organizer:
PR Indonesia

Date:
April 20, 2020



Award Name:
Top BUMD 2020

Event:
2nd Infobank Top Bumd 2020

Organizer:
Infobank

Date:
May 06, 2020



Award Name:
Very Healthy Predicate Bank Book
Category 3 With Assets Between IDR
50 Trillion - IDR 100 Trillion

Event:
Indonesia Best Bank Award 2020

Organizer:
Warta Ekonomi

Date:
August 18, 2020



Award Name:
The Best Bank 2020 in the BPD
Category with a Core Capital of IDR 5
Trillion - IDR 30 Trillion

Event:
Best Bank Award 2020

Organizer:
Majalah Investor

Date:
August 25, 2020



Award Name:
Top CEOs of BUMD 2020

Event:
Top BUMD Award

Organizer:
Business News

Date:
August 27, 2020



Award Name:
Top BUMD 2020 Star 5

Event:
Top BUMD Award

Organizer:
Business News

Date:
August 27, 2020



Award Name:
Top of The Top BUMD 2020

Event:
Top BUMD Award

Organizer:
Business News

Date:
August 27, 2020



Award Name:
25th Infobank Awards 2020 On
Category "Core Capital IDR 5 Trillion -
IDR 30 Trillion With the Predicate
"Very Good "For 20 Consecutive Years
Come along

Event:
Infobank Award

Organizer:
Infobank

Date:
September 29, 2020



Award Name:
The Best Regional-The Most
Profitable Regional Bank

Event:
CNBC Award

Organizer:
CNBC Indonesia

Date:
October 23, 2020



Award Name:
Top Bank Award 2020 Platinum
Predicate (Highest) Book Category 3

Event:
Top BUMD Award

Organizer:
Iconomics

Date:
October 28, 2020



Award Name:
Bank with Simple Development
Program Best IB in the category of
Regional Development Bank

Event:
Simpel Awards 2020

Organizer:
Otoritas Jasa Keuangan (OJK)

Date:
November 05, 2020



Award Name:
Indonesia Best BPD Award 2020
"Business Acceleration Toward
A Better and Continuous Regional
Development

Event:
Indonesia Best BPD Award 2020

Organizer:
Warta Ekonomi

Date:
November 27, 2020



Award Name:
The Most Popular BUMD Leader in
Digital Media 2020

Event:
Anugerah Humas Indonesia (AHI)
2020

Organizer:
Humas Indonesia

Date:
November 26, 2020



Award Name:
Banking Awardee Who Helps
Innovation and Implementation of ETP
in the East Java Regional Government

Event:
Pertemuan Tahunan Bank Indonesia
2020

Organizer:
Bank Indonesia

Date:
December 4, 2020



Award Name:
Platinum Award 1st The Best
Indonesia Operational Excellence
Award BPD Book III-Public Company

Event:
The Best Indonesia Operational
Excellence Award

Organizer:
Economic Review

Date:
December 18, 2020



Award Name:
Top Digital 2020 Level Stars 4

Event:
Top Digital Award 2020

Organizer:
IT Works/ Top Business

Date:
December 22, 2020



Award Name:
Top Leader on Digital Implementation

Event:
Top Digital Award 2020

Organizer:
IT Works/ Top Business

Date:
December 22, 2020

As of December 31, 2020, Bank Jatim does not have certification.

— Name and Address of Subsidiaries and/or Branch or Representative Offices

Name	Address	Telephone	Facsimile
Surabaya Main Branch	Jl. Basuki Rakhmad 98-104, Surabaya	(031) 5310090-99	(031) 5470159
Banyuwangi branch	Jl. Basuki Rahmat no. 156 Banyuwangi	(0333) 421755/426755	(0333) 421555
Jember Branch	Jl. A. Yani no. 3A RT 01 RW 03 Patrang Jember 68137	(0331) 484605-07	(0331) 428376/481502
Malang Branch	Jl. Jaksa Agung Suprpto 26-28 Malang	(0341) 321961	(0341) 325085/365212
Madiun Branch	Jl. Jawa No. 43 Madiun	(0351) 464432/459202/476328/476315	(0351) 463665/491499
Kediri Branch	Jl. P. Kusuma Bangsa No. 122 Kediri	(0354) 680270	(0354) 682924
Pamekasan Branch	Jl. Panglima Sudirman No. 5 Pamekasan	(0324) 322451/322923	(0324) 322932
Bojonegoro Branch	Jl. Mastrip 70 Bojonegoro	(0353) 882137/889753	(0353) 881028/891772
Lumajang Branch	Jl. Alun-alun Barat 4 Lumajang	(0334) 881683/882111	(0334) 882830
Ngawi Branch	Jl. Yos Sudarso 32 Kel. Margomulyo Kec. Ngawi Kab. Ngawi	(0321) 862217	(0321) 861952
Kraksaan Branch	Jl. Raya PB. Sudirman 144, Kraksaan	(0335) 841382/843184	(0335) 841124/842451
Probolinggo branch	Jl. Soekarno-Hatta 311 Kel. Tisnonegaran Kec. Kanigaran Kota Probolinggo	(0335) 422552/421879	(0335) 422314
Blitar Branch	Jl. HOS Cokroaminoto 36-38, Blitar	(0342) 801462/806089/807333	(0342) 802262/801353
Tulungagung Branch	Jl. I Gusti Ngurah Rai 1, Tulungagung	(0355) 321105/ 321106/327581	(0355) 321104/320407
Tuban Branch	Jl. Basuki Rakhmad 13 Tuban	(0356) 322725	(0356) 321169
Mojokerto branch	Jl. A. Yani No. 20, Mojokerto	(0321) 321261/323002	(0321) 396112/395950/395501
Sumenep Branch	Jl. Trunojoyo 49 Sumenep	(0328) 662557/662487	(0328) 665780
Sampang Branch	Jl. K.H. Wakhid Hasyim 111, Sampang	(0323) 321226/323400 /325004	(0323) 321493/325006
Bangkalan Branch	Jl. K.H. Moh. Kholil 38 Demangan Bangkalan	(031) 3095502/3093416/3099085	(031) 3095722
Pasuruan Branch	Jl. Pahlawan No. 18 Pasuruan	(0343)421061/411609/426086/431957	(0343)426085/432797
Nganjuk Branch	Jl. Gatot Subroto 8 Nganjuk	(0358) 325100/325101/323910	(0358) 324420
Trenggalek Branch	Jl. Panglima Sudirman No. 145 Trenggalek	(0355) 791676/791675	(0355) 792945
Ponorogo Branch	Jl. Diponegoro No. 42-44 Ponorogo	(0352) 461157/461158/484222	(0352) 484260/485485
Pacitan branch	Jl. A. Yani No. 82 Pacitan	(0357) 881320/881321	(0357) 882889/886456
Gresik Branch	Jl. Dr. Sutomo 181, Gresik	(031) 3982311/3982313/3980580	(031) 3973976/3990937
Sidoarjo Branch	Jl. Jend. A. Yani 29 Sidoarjo	(031) 8956108/8956109	(031) 8921631
Lamongan Branch	Ruko Permata Lamongan Jl. PB Sudirman No. 72 Lamongan	(0322) 321810/322769/311633/318508	(0322) 321494
Situbondo Branch	Jl. Basuki Rahmat 235 Situbondo	(0338) 674982/672123/ 674983	(0338) 672017
Bondowoso Branch	Jl. Letnan Karsono No.1 Bondowoso	(0332) 427456/427447	(0332) 423524
Magetan Branch	Jl. Pahlawan No. 2 Magetan	(0351) 895378/891441/ 895333	(0351) 894715/895384
Branch Dr. Soetomo Surabaya	Jl. Prof. Mustopo 6-8 Surabaya	(031) 5036676/5501718/5018762	(031) 5020121
Perak Surabaya Branch	Jl. Perak Timur 262-264 Surabaya	(031) 3282635-37	(031) 3282508/3299063
Kangean Branch	Jl. Sriwijaya No. 431 Kec. Arjasa Kep. Kangean Sumenep	(0327) 312200/312030/312161	(0327) 312040
Jakarta Branch	Jl. Thamrin Boulevard CT.LD1 No.1 CT.LD02 Jakarta Pusat	(021) 29625615-17	(021) 29625618
Stone Branch	Jl. Panglima Sudirman No. 88 Kel. Pesanggrahan Kec. Batu Batu	(0341) 511205/511206	(0341) 590522 / 598550
Bawean Branch	Jl. Kawedanan No. 3, Sangkapura Bawean	(0325) 422470/422770/423801/421558	(0325) 422471
Pare branch	Jl. Kusuma Bangsa No. 6 Pare	(0354) 397850 / 397851	(0354) 392799

Name	Address	Telephone	Facsimile
HR branch. Muhammad Surabaya	Jl. HR. Muhammad No. 29 Surabaya	(031) 99147557 / 99141887	(031) 99147868 / 99147763
Kepanjen Branch	Jl. Kawi No. 28, Kepanjen	(0341) 398140	(0341) 398141
Batam Branch	Jl. Pembangunan Komplek Ruko Citra Mas Penuin Blok A-05 Kel. Batu Selicin Kec. Lubuk Baja Kota Batam	(0778) 8071030	(0778) 7602059

Note: As of December 31, 2020, Bank Jatim has no subsidiaries.

— 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 information on the needs of customers and the public, encompassing Savings, Loans, Business, Sharia, Services, Investor Relations, Corporate Governance, Bank Jatim Peduli, Interest Rates, and Info.

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 e-form Credit option that can facilitate prospective customers in making credit application.

ARA criteria	Information
Shareholder information up to individual final owners	Available
Fill in the Code of Ethics	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 summons 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

— Education and/or Training of The Board of Commissioners, The Board Of Directors, Committees, Corporate Secretary and Internal Audit Unit

Competency Development of The Board of Commissioners

Throughout 2020, members of the Board of Commissioners of Bank Jatim participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Table of Competency Development for the Board of Commissioners

Name	Position	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Akhmad Sukardi	President Commissioner	Seminar	BPDSI National Seminar and Simpeda Savings Draw	21-23 February 2020, Jakarta	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar
		Workshop	<i>Digital Piano: Harmonization in Building Capability and Creating a Digital Ecosystem</i>	27-28 February 2020, Jakarta	Infobank Institute
Budi Setiawan	Commissioner	Seminar	BPDSI National Seminar and Simpeda Savings Draw	21-23 February 2020, Jakarta	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar
		Workshop	<i>Digital Piano: Harmonization in Building Capability and Creating a Digital Ecosystem</i>	27-28 February 2020, Jakarta	Infobank Institute
Heru Tjahjono	Commissioner	During 2020, he has not participated in competency development.			
Rudi Purwono	Independent Commissioner	Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar
Candra Fajri Ananda	Independent Commissioner	Seminar	Governance Implementation	18 Desember 2020, Surabaya	Dewi A. Sah Bandar
		Seminar	<i>Governance Implementation</i>	18 December 2020, Surabaya	Dewi A. Sah Bandar
Rudi Purwono	Independent Commissioner	Workshop	<i>Digital Piano: Harmonization in Building Capability and Creating a Digital Ecosystem</i>	27-28 February 2020, Jakarta	Infobank Institute
Muhammad Mas`Ud	Independent Commissioner	Workshop	<i>Digital Piano: Harmonization in Building Capability and Creating a Digital Ecosystem</i>	27-28 February 2020, Jakarta	Infobank Institute

Competency Development of Sharia Supervisory Council

Throughout 2020, members of the Bank Jatim Sharia Supervisory Board participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Table of Competency Development for the Sharia Supervisory Board

Name	Position	Types of Training and Competency Development Materials	Time and Place of Implementation	Organizers
Drs. KH. Afifuddin Muhajir, M.Ag	Chairman	<i>Webinar: Pra ijtima' Sanawi</i>	12-13 October 2020, Online	National Sharia Council-Indonesian Ulema Council
		<i>Webinar: Ijtima' Sanawi</i>	5-6 November 2020, Online	National Sharia Council-Indonesian Ulema Council

Name	Position	Types of Training and Competency Development Materials	Time and Place of Implementation	Organizers
Dr. M. Saad IH, MA (Muhammad Sa'ad Ibrahim)	Member	Webinar: Pra ijtima' Sanawi	12-13 October 2020, Online	National Sharia Council-Indonesian Ulema Council
		Webinar: Ijtima' Sanawi	5-6 November 2020, Online	National Sharia Council-Indonesian Ulema Council

Development of Competencies of The Board of Directors

Throughout 2020, members of the Board of Directors of Bank Jatim participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Table of Competency Development for the Board of Directors

Name	Position	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Busrul Iman	President Director	Seminar	BPDSI National Seminar and Simpeda Savings Draw	21-23 February 2020, Jakarta	Asosiasi Bank Pembangunan Daerah (ASBANDA)
Ferdian Timur Satyagraha	Director of Finance	Seminar	BPDSI National Seminar and Simpeda Savings Draw	21-23 February 2020, Jakarta	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar
Rizyana Mirda	Director of Business Risk	Seminar	Restructuring of Regional Development Bank (BPD) Loans throughout Indonesia	6 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Training	<i>Legal Risk Management & Compliance - Refreshment Certified Qualified Chief Risk Officer (QCRO)</i>	7-9 October 2020, Surabaya	Center For Risk Management & Sustainability (CRMS)
		Training	"Risk Control Self-Assessment" - Refreshment Certified Qualified Chief Risk Officer (QCRO)	11-12 November 2020, Surabaya	Center For Risk Management & Sustainability (CRMS)
		Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar
Tonny Prasetyo	Director of Information Technology and Operations	Seminar	Is it still safe to keep money in a bank: minimize operational risk and reputation risk	11 December 2020, Surabaya	Infobank Institute
		Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Seminar	ESQ Digi Word Outstanding Mentality	17 June 2020, Surabaya	ESQ - Dr. (H.C) Ary Ginanjar Agustian
		Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar

Audit Committee Competency Development

Throughout 2020, members of the Bank Jatim Audit Committee participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Audit Committee Competency Development Table

Name	Position	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Rudi Purwono	Chairman	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Candra Fajri Ananda	Member	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Muhammad Mas'ud	Member	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Akhmad Djauhari	Member	During 2020, he has not participated in competency development.			

Competency Development of The Remuneration and Nomination Committee

Throughout 2020, members of the Bank Jatim Remuneration and Nomination Committee have participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Remuneration and Nomination Committee Competency Development Table

Name	Position	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Candra Fajri Ananda	Chairman	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Rudi Purwono	Member	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Akhmad Sukardi	Member	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Muhammad Mas'ud	Member	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Heru Tjahjono	Member	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Budi Setiawan	Member	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Budi Sumarsono	Member	Workshop	<i>Business Inspiring Forum Corporate University Dalam Transformasi Organisasi di Era Digital</i>	February 26, 2020, Jakarta	PPM Management
		Seminar	Retired Not Expired	8 May 2020, Surabaya	Lembaga Pengembangan Perbankan Indonesia (LPPI)
		Seminar	ESQ Digi Word Outstanding Mentality	17 June 2020, Surabaya	ESQ - Dr. (H.C) Ary Ginanjar Agustian
		Pelatihan	Pension Fund General Management Training (MUDP)	14-15 July 2020, Surabaya	Asosiasi Dana Pensiun Indonesia (ADPI)
		Sertifikasi	Pension Fund General Management Exam - MUDP	16 July 2020, Surabaya	Lembaga Sertifikasi Profesi Dana Pensiun (LSPDP)
		Sertifikasi	Employee Competency Development Provision of Risk Management Certification Exam (BSMR) Level - 4	25-26 November 2020, Surabaya	Strategic Development Group (SDG)
		Sertifikasi	Level Risk Management Certification Exam - 4	27 November 2020, Surabaya	Badan Sertifikasi Manajemen Risiko (BSMR)
		Seminar	Governance Implementation	18 Desember 2020, Surabaya	Dewi A. Sah Bandar

Risk Monitoring Committee Competency Development

Throughout 2020, members of the Bank Jatim Risk Monitoring Committee participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Table of Competency Development for the Risk Monitoring Committee

Name	Position	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Muhammad Mas'ud	Chairman	Information on competency development can be seen in the competency development of the Board of Commissioners.			
Rudi Purwono	Member	Information on competency development can be seen in the competency development of the Board of Commissioners			
Candra Fajri Ananda	Member	Information on competency development can be seen in the competency development of the Board of Commissioners			
Syafrudin	Member	During 2020, he has not participated in competency development.			

Competence Development of Corporate Secretary

Throughout 2020, the Corporate Secretary of Bank Jatim participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Table of Competency Development of the Corporate Secretary

Name	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Glemboh Priambodo	Webinar	Relaxation of OJK Rules	08 April 2020, Online	ICSA
	Webinar	E-Proxy	08 April 2020, Online	ICSA
	Seminar	Socialization of POJK Number 15 / POJK.04 / 2020 concerning the Plan for Organizing a General Meeting of Shareholders for Public Companies and POJK Number 16 / POJK.04 / 2020 concerning the Implementation of the General Meeting of Shareholders for Public Companies electronically	05 May 2020, Online	OJK
	Webinar	IDX Socialization of Rule Number I-B concerning Registration of Debt Securities	09 June 2020, Online	IDX
	Webinar	Deepening of POJK No. 17 / POJK.14 / 2020	09 July 2020	ICSA
	Seminar	Socialization of Financial Services Authority Regulations <ul style="list-style-type: none"> No. 17 / POJK.04 / 2020 and No. 42 / POJK.04 / 2020; No. 37 / POJK.04 / 2020 and No. 43 / POJK.04 / 2020 	11 August 2020, Online	OJK
	Webinar	ESG (Environment, Social, Government)	02 September 2020, Online	IDX
	Webinar	2020 AEI Member Conference	23 September 2020, Online	AEI (Asosiasi Emiten Indonesia)
	Webinar	Excellent Attitude For Corporate Secretary	28 September 2020, Online	ICSA
	Webinar	Dissemination of Industrial IDX Implementation Classification (IDX-IC)	15 October 2020, Online	IDX
	Webinar	Challenges for Corporate Secretary in the Middle Pandemic	22 October 2020, Online	ICSA
	Webinar	Capital Market Anti-Bribery Management	26 November 2020, Online	ICSA

Competency Development of Internal Audit Unit

Throughout 2020, the Bank Jatim Internal Audit Unit participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Name	Position	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Eko Tri Prasetyo	Division Leader	Seminar	Productive Credit Check (Auditing)	January 10-12 2020, Jakarta	PT Leinad Aganis
		Socialization	<i>Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)</i>	25-25 January 2020, Surabaya	Internal Bank Jatim
		Certification	<i>Refreshment Program for Risk Management Certification (Risk Management Fundamental)</i>	January 27, 2020, Surabaya	Badan Sertifikasi Manajemen Risiko (BSMR)
		Training	IT Cyber Security Amid the COVID-19 Pandemic - IT Security	12 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Training	Implementation of Anti-Fraud Strategy for Commercial Banks POJK No. 39 / POJK.03 / 209 (Auditing)	13 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Governance Implementation	18 December 2020, Surabaya	Dewi A. Sah Bandar
M. Muad	Sub Division Leader	Socialization	Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)	25-25 January 2020, Surabaya	Internal Bank Jatim
		Training	Implementation of Anti-Fraud Strategy for Commercial Banks POJK No. 39 / POJK.03 / 209 (Auditing)	13 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Strategies for Maintaining Banking Liquidity Resilience and Finding Sources of Funding Under the Shadow of Dry Liquidity "(Strategic Planning)	15 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
Tri Laksono	Sub Division Leader	Socialization	Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)	25-25 January 2020, Surabaya	Internal Bank Jatim
		Training	IT Cyber Security Amid the COVID-19 Pandemic - IT Security	12 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Training	Implementation of Anti-Fraud Strategy for Commercial Banks POJK No. 39 / POJK.03 / 209 (Auditing)	13 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Cyber Crime & Digital Signature (IT Security)	23 June 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Cyber Resilience & New Normal Risks and Cybersecurity Strategies in Facing the New Normal (IT Control & Audit)	9 July 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
Rama Putra Mahendra	Senior Auditor	Socialization	Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)	25-25 January 2020, Surabaya	Internal Bank Jatim
		Socialization	Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)	25-25 January 2020, Surabaya	Internal Bank Jatim
		Training	Implementation of Anti-Fraud Strategy for Commercial Banks POJK No. 39 / POJK.03 / 209 (Auditing)	13 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
Reza Rahadian	Senior Auditor	Sosialisasi	<i>Kick Off Meeting dan Sosialisasi Audit Plan Tahun 2020 (Auditing)</i>	25-25 Januari 2020, Surabaya	Internal Bank Jatim
		Socialization	Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)	25-25 January 2020, Surabaya	Internal Bank Jatim
Iqbal Alfahruli	Senior Auditor	Training	<i>Implementation of Anti-Fraud Strategy for Commercial Banks POJK No. 39 / POJK.03 / 209 (Auditing)</i>	13 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Socialization	Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)	25-25 January 2020, Surabaya	Internal Bank Jatim

Name	Position	Type of Training	Competency Development Materials	Time and Place of Implementation	The organizers
Eko Widiyanto		Certification	<i>Refreshment Program for Risk Management Certification (Risk Management Fundamental)</i>	January 27, 2020, Surabaya	Badan Sertifikasi Manajemen Risiko (BSMR)
		Training	<i>Implementation of Anti-Fraud Strategy for Commercial Banks POJK No. 39 / POJK.03 / 2019 (Auditing)</i>	13 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Strategies for Maintaining Banking Liquidity Resilience and Finding Sources of Funding Under the Shadow of Dry Liquidity "(Strategic Planning)	15 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	Strategi Menjaga Ketahanan Likuiditas Perbankan dan Mencari Sumber Pendanaan di Bawah Bayang-Bayang Keringnya Likuiditas" (Strategic Planning)	15 Mei 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
Satrio Ardi Wicaksono	Senior Auditor	Sosialisasi	<i>Kick Off Meeting dan Sosialisasi Audit Plan Tahun 2020 (Auditing)</i>	25-25 Januari 2020, Surabaya	Internal Bank Jatim
		Socialization	<i>Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)</i>	25-25 January 2020, Surabaya	Internal Bank Jatim
Eko Hertianto	Senior Auditor	Training	<i>Implementation of Anti-Fraud Strategy for Commercial Banks POJK No. 39 / POJK.03 / 2019 (Auditing)</i>	13 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Socialization	<i>Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)</i>	25-25 January 2020, Surabaya	Internal Bank Jatim
Agung Setyo Nugroho	Senior Auditor	Socialization	<i>Kick Off Meeting and Socialization of the 2020 Audit Plan (Auditing)</i>	25-25 January 2020, Surabaya	Internal Bank Jatim
		Training	IT Cyber Security Amid the COVID-19 Pandemic - IT Security	12 May 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)
		Seminar	<i>Cyber Crime & Digital Signature (IT Security)</i>	23 June 2020, Surabaya	Asosiasi Bank Pembangunan Daerah (ASBANDA)



Management Discussion and Analysis of Bank Performance

“

Bank Jatim assets in 2020 amounted to IDR83.62 trillion, an increase of 8.94% compared to 2019 which amounted to IDR76.76 trillion. Loans provided by Bank Jatim also experienced growth of 8.16% from IDR38.35 trillion in 2019 to IDR41.48 trillion. Likewise, Bank Jatim third party funds increased by 13.08% to IDR68.47 trillion in 2020.

”





Economic Review

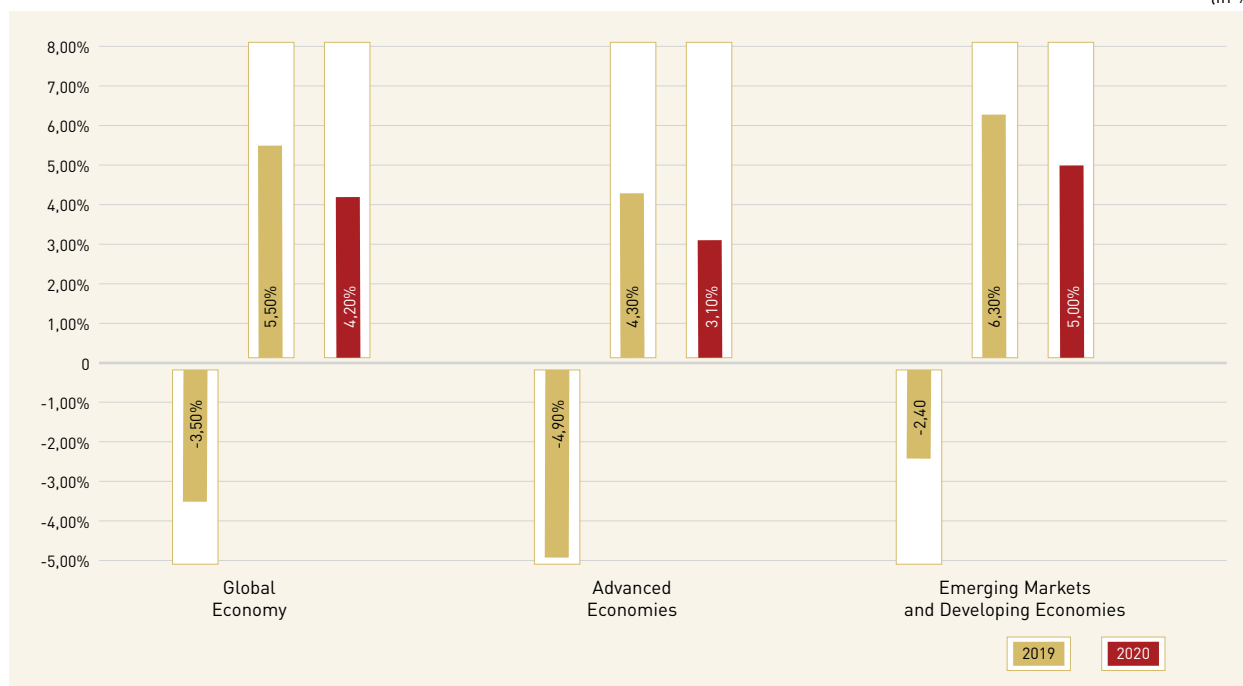


Global and National Economic Analysis

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. The global economy throughout 2020 experienced several improvements. Most recently, the International Monetary Fund (IMF) and several world financial authorities estimated that the economy in 2020 experienced improvement following the faster economic recovery in several countries due to the relaxation of policies restricting the movement of people and goods.

Table of Economic Projection

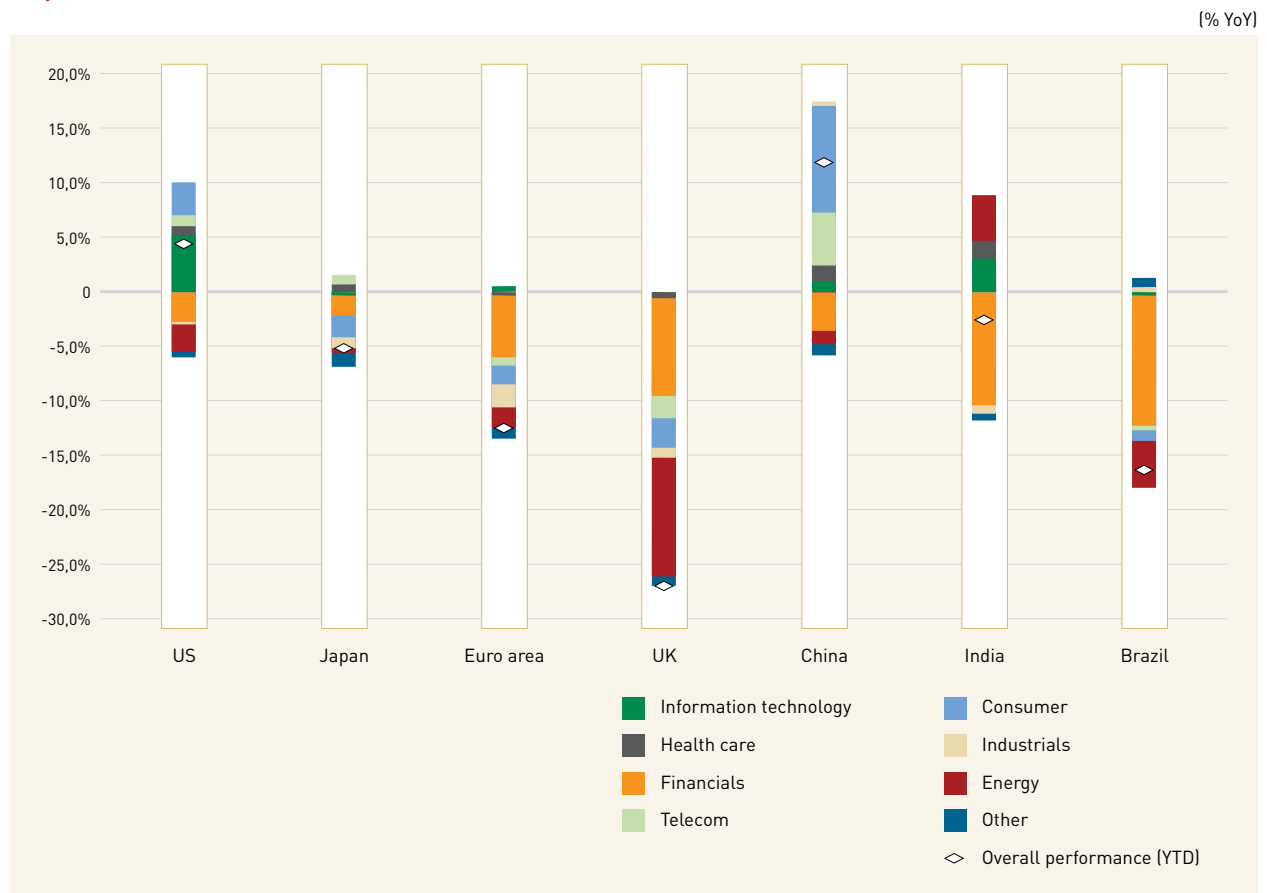
(in %)



Source: World Economic Outlook – IMF, January 2021

Nonetheless, faced with the global health and economic crisis, the IMF took accommodative measures to protect society, the economy, and the financial system. However, the prospects for a more stable economic recovery were still very uncertain and highly dependent on handling the COVID-19 pandemic. In developed economies, low interest rates and an improvement in market risk led to further easing of the financial sector. The same thing happened in developing countries, where financial conditions in developing country markets also eased compared to the initial period of the COVID-19 outbreak. The accommodative policies taken in response to the COVID-19 pandemic had been quite successful in increasing investor sentiment and maintaining economic performance.

Graph of 2020 Stock Market Performance: Sectoral Contribution



Sumber: World Economic Outlook, January 2021 - IMF

Global stock markets also started to experience recovery, especially in China and America, driven by the technology sector, while the slowdown was still driven by sectors requiring intensive contact, such as the hotel, restaurant and leisure industries. Meanwhile, the energy and financial sectors were still considered vulnerable.

In line with the global economy, the dynamics of the national economy throughout 2020 were also affected by the COVID-19 pandemic. A number of countercyclical and accommodative policies had been issued by the government to boost the national economy throughout 2020. Although the realization of national economic growth in the fourth quarter of 2020 was

still at -2.19% (YoY), a number of economic indicators indicated ongoing improvement, such as increasing activity of export-import, improved manufacturing PMI, and maintained sales and consumer expectations (Monetary Policy Review - January 2021, Bank Indonesia).

In terms of inflation, the realization of Indonesia's 2020 inflation rate was 1.68%. This figure was far below the estimate of Bank Indonesia, which was targeted to be in the 2% - 4% range. Inflation performance throughout 2020 was greatly influenced by low demand due to the uncontrolled COVID-19 pandemic which affected people's purchasing power and economy (LPEM FEB University of Indonesia - February 2021).

Banking Industry Analysis

In order to reduce the wider impact of COVID-19 on the economy, various accommodative policies had been implemented by the Indonesian government. Among them were the policy to lower interest rates in order to boost consumption and maintain monetary stability. Throughout 2020, Bank Indonesia lowered the benchmark interest rate by 5 (five) times by 125 basis points (bps) and was maintained at 3.75% at the end of 2020, which was also the lowest level in history.

Table of Bank Indonesia Reference Interest Rate in 2020

(in %)

Bulan	Suku Bunga	Bulan	Suku Bunga
January	5.00	July	4.00
February	4.75	August	4.00
March	4.50	September	4.00
April	4.50	October	4.00
May	4.50	November	3.75
June	4.25	December	3.75

Source: Bank Indonesia dan Kompas.com

However, this accommodative policy seemed insufficient to boost consumption and increase people's purchasing power during the pandemic. This was reflected in the national inflation rate which reached 1.68% (YoY) or lower than the previous year which reached 2.72% (YoY) (Official Statistics News January 2021 - BPS). Another thing that could be observed was also reflected in the performance of the banking sector. Banking industry activity throughout 2020 was classified as quite restrained due to weak demand for credit as reflected in the slower performance of credit growth in the banking sector, which grew -2.41% (YoY) compared to the previous year which grew by 6.08% (YoY), although TPF grew significantly, namely by 11.11% (YoY) compared to the previous year's growth of 6.54%

(YoY). This caused the bank intermediation performance to decline to 82.24%, lower than the previous period, which was 93.68%. Apart from various pressures due to the pandemic, the implementation of POJK Number 11/POJK.03/2020 concerning National Economic Stimulus as a Countercyclical Policy on the Impact of the Spread of Coronavirus Disease 2019 (COVID-19) was sufficient to maintain banking resilience during the pandemic. This was reflected in the banking industry's capital ratio which was maintained at 23.78% in 2020 and adequate liquidity, as reflected in the LA/NCD ratio which increased to 146.72%, although there was still an increase in credit risk, namely at 3.06% figure in December 2020 (BPD Performance Development - Financial Services Authority, February 2021).

Analysis of Bank Jatim's Position in the Planning Banking Industry

As a comparison of the performance of Bank Jatim against national banking, the following is a breakdown of the growth performance of the Bank and the comparison of the Bank's ratio with the banking industry average.

Table of Bank Jatim Growth Performance Compared to the Average BUKU III Bank and Banking Industry

(in IDR billion)

Performance	Bank Jatim			BUKU III			Banking Industry		
	2020	2019	Growth (YoY)	2020	2019	Growth (YoY)	2020	2019	Growth (YoY)
Asset	83,619	76,756	8.94%	2,684,606	2,616,734	2.59%	9,177,894	8,562,974	7.18%
Credit	41,481	38,352	8.16%	1,563,092	1,734,182	[9.87%]	5,481,560	5,616,990	[2.41%]
Third Party Fund	68,468	60,546	13.08%	1,783,049	1,672,217	6.63%	6,665,390	5,998,648	11.11%

Source:

- Indonesian Banking Statistics - Financial Services Authority (Conventional BUKU III Data)
- Bank Jatim Internal Data

Bank Jatim growth performance compared to the banking industry based on assets, credit and deposits was very good. Bank Jatim asset growth reached 8.94%, higher than the growth of BUKU III of 2.59% and the banking industry of 7.18%. Bank Jatim credit also grew 8.16% higher than BUKU III and the banking industry experienced negative growth of 9.87% and 2.41%. Likewise, Bank Jatim TPF also experienced a growth of 13.08%, higher than BUKU III's 6.63% and the banking industry by 11.11%.

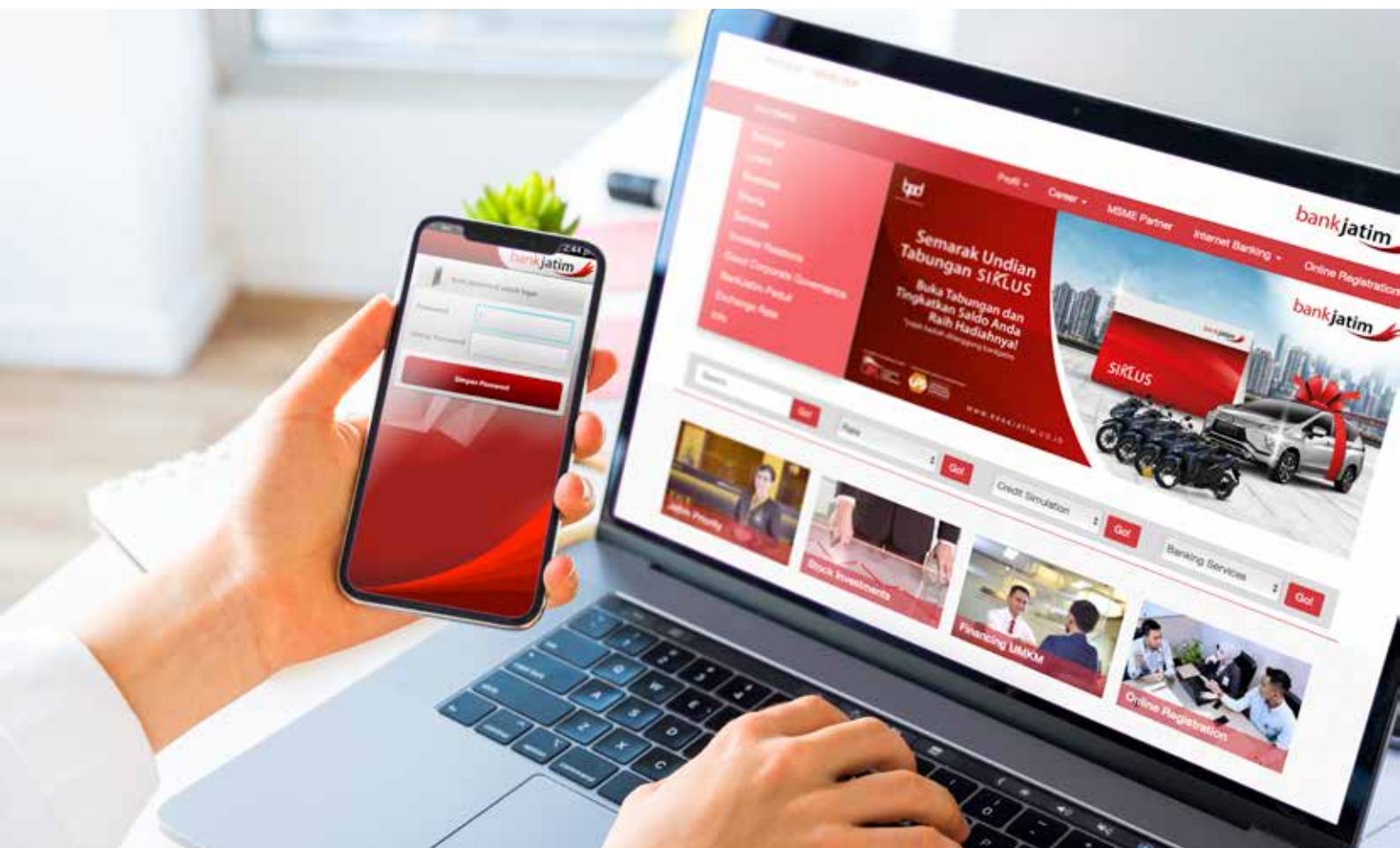
Table of Comparison of Bank Ratio to Industry Average

(in %)

Kinerja	2020			2019		
	Bank Jatim	BUKU III	Industri Perbankan	Bank Jatim	BUKU III	Industri Perbankan
Net Interest Margin (NIM)	5.55	3.51	4.45	6.11	3.98	4.91
Non Performing Loan (NPL)	4.00	2.93	3.06	2.77	2.66	2.53
Return on Assets (RoA)	1.95	1.24	1.59	2.73	1.72	2.47
Capital Adequacy Ratio (CAR)	21.64	29.60	23.89	21.23	25.34	23.40
Loan to Deposit Ratio (LDR)	60.58	87.66	82.54	63.34	103.71	94.43
Operational Cost of Operating Income (BOPO)	77.76	90.53	86.58	71.40	87.40	79.39

Source:

- Indonesian Banking Statistics - Financial Services Authority (Conventional BUKU III Data)
- Bank Jatim Internal Data



— Operational Review

Bank Strategy in 2020

In carrying out Bank Jatim's business activities in 2020, taking into account the latest developments in the economic conditions affected by the COVID-19 pandemic, Management formulated a strategic focus that would be applied to achieve sustainable business growth as follows:

1. Increasing fee-based income through intensification of sales of bancaassurance products, increasing collaboration with other companies in East Java so that they could provide comprehensive solutions to corporate customers and intensify sources of income from treasury transactions.
2. Increasing cross selling activities for products and services with increased e-channel penetration. Increasing collaboration and synergy between business lines starting from the process of opening customer accounts and increasing the use of Customer Relationship Management (CRM).
3. Continuing the process of aligning target segments for top corporate credit customers after the COVID-19 pandemic while still paying attention to the bank's risk appetite and would focus on the productive and retail sector businesses by balancing productivity and risk factors, MSME credit customers by implementing a partnership strategy with local governments (Pemda) or City Government (Pemkot) by exploring the potential of MSMEs in East Java, consumer credit customers through credit penetration to civil servants or private employees based on payroll and segments would focus on businesses with high levels of profitability.
4. Continuing the branch office transformation process:
 - a. Alignment of the business model at branch offices with the Bank's target segments.
 - b. Continuing the process of accelerating transformation initiatives to increase productivity.
 - c. Improving sales planning activities at the branch level.
5. Striving to maintain the net interest margin level (Net Interest Margin/NIM) by ensuring that the re-pricing of the loan portfolio was carried out correctly and on time. In addition, there would be a review of the existing business model to ensure that it was compatible with the latest industry conditions.
6. Tightening credit approval procedures and implementing new approval limits and matrices to ensure tighter controls and intensive monitoring of existing portfolios, as well as intensifying the implementation of early warning (early alert mechanism and watchlist policy) on the loan portfolio, which became an early warning system with raising early warning standards as the main defense mechanism.

7. Closing the monitoring of the non-performing loan restructuring program and the performance of the recovery program.
8. Refinement and acceleration of credit processing with measurable time but still referring to risk-based services and the principle of prudence.
9. Implementation on an ongoing basis for:
 - a. Corporate culture as the Bank's effort to continue to survive in the midst of an increasingly competitive business climate.
 - b. Risk culture, to raise awareness and change in behavior of all employees regarding the risks inherent in each of the bank's business and operational activities, as an effort to minimize risk in all elements of the company so as to support optimal performance and business growth.
 - c. Compliance culture, which contained values, behavior and actions that supported the creation of compliance with compliance with regulations and laws. "Tone at the top" to show a commitment to the issues of openness, integrity and honesty as well as ethical behavior which is necessary to create a control environment.
 - d. Service culture, a customer centric phenomenon aimed at exceeding customer expectations and creating superior customer value through developing customer service competencies.
 - e. Marketing culture, every employee became a marketer who had to be given training and owned a good knowledge of the product and also target of the Bank. The spirit as a marketer had to exist in all employees, not only being marketers but had to understand that customers became the main target.

Marketing Aspects

Marketing Strategy in 2020

In the effort to develop Bank Jatim's business, one thing that should not be overlooked was how the marketing strategy was implemented. The following is an explanation of the marketing strategies carried out by Bank Jatim:

1. Collaborating with government-owned institutions and private companies in order to develop Bank Jatim services to all customers, for example cooperation with the Employment Social Security Administration (BPJS) and PT Pelindo Properti Indonesia.
2. Bank Jatim synergy with the East Java Provincial Government programs through:

- a. East Java Governor's Nawa Bhakti Satya Program
 - Jatim Sejahtera (Prosperous East Java): Distribution of the Family Hope Plus Program (PKH Plus)
 - Jatim Kerja (Work East Java): Millenials Job Center (MJC)
 - Jatim Cerdas dan Sehat (Smart and Healthy East Java): Distribution of the Tis-Tas Program (Free and Quality) in the form of Education Supporting Operational Costs (BPOPP) funds.
 - b. East Java Online Shopping Program (Jatim Belanja Online - Bejo) for the process of procuring goods/services by optimizing the use of e-marketplaces in the form of online shops for government procurement of goods/services in East Java Province.
 - c. East Java Food Granary Program is a service for providing cheap basic necessities and free postage which could be accessed through a special website that had been provided with a payment system through the bank (virtual account).
3. The synergy between Bank Jatim and the Regional Government in handling the COVID-19 pandemic in the form of distributing funds for Non-Cash Food Assistance (BPNT) and Direct Cash Assistance (BLT).
 4. Collaboration with external parties in major events in Surabaya for bundling Bank Jatim products both online (virtual events) and offline, for example: 20 Years 5 Star Tour 2020 Dewa 19, Seven Room Concerts and others.
 5. Collaboration with financial technology companies and marketplaces in an effort to develop Bank Jatim online services, for example for payment of local taxes and levies, payment of electricity and water bills, payment of education fees and others.
 6. Supporting the East Java Provincial Government in receiving Regional Taxes in the form of providing rewards for compliant taxpayers in paying Motor Vehicle Tax (PKB).
 7. Kick off One Student One Account (KEJAR) in collaboration with the Regional Office IV of the Financial Services Authority online which was attended by the Governor of East Java and 1,000 (one thousand) high school/vocational/MA students in East Java followed by account opening by 30,000 (thirty thousand) students.
 8. Optimizing the use of Bank Jatim QRIS for:
 - a. Receipt of market fees in collaboration with local governments.
 - b. Electronification of places of worship in East Java for receiving infaq.
 - c. Payment transaction services at Bank Jatim merchants, for example restaurants, shops and others.
 - d. Automate ticket payments at tourist attractions, for example at Boom Marina Beach, Banyuwangi.
 9. Implementation of the 2020 Bank Jatim Simpeda Lucky Draw through Bank Jatim social media and television stations.
 10. Bank Jatim financial literacy and inclusion activities for junior high school (SMP), senior high school (SMA)/vocational high school (SMK) students.
 11. Bank Jatim Campaign by involving the community through social media including:
 - a. Campaign to use Bank Jatim products and services, especially e-channels, to facilitate public transactions during the COVID-19 pandemic.
 - b. Campaign to encourage savings from an early age through the One Student One Account (KEJAR) movement.
 12. Collaboration with East Java art workers for the campaign to communicate the benefits and convenience of using Bank Jatim products and services, for example making a promotional video involving Cak Silo Pentol and Mr. Ndul "The Expert of Experts".
 13. Giving appreciation to loyal customers of Bank Jatim as participants in a seminar organized by Bank Jatim with Bank Jatim partners in a wise effort to face all conditions during the COVID-19 pandemic.
 14. Optimization of Bank Jatim promotion through Bank Jatim social media and Bank Jatim employee social media.
 15. Trying to defend the award that was received in the previous year.
 16. Developing Bank Jatim products and services following the development of community needs:
 - a. Laku Pandai Bank Jatim Generation 2 (two) with new features including transfers to other banks, purchases, and payments.
 - b. Mobile Banking equipped with a QR menu with Bank Indonesia standards.
 - c. Virtual Account phase 2 (two) with the development of the virtual account feature can be paid through the e-channel of Bank Jatim and other banks.
 17. Providing promo programs for Bank Jatim customers including:
 - a. Member Get Member Program and cashback for Bank Jatim foreign exchange customers
 - b. Like-Like Cycle Program for priority East Java customers
 - c. Promo Program at Priority East Java merchants
 - d. Interest Cycle Plus Savings Program.
 18. Increasing Priority East Java Customer benefits by adding Priority East Java merchants according to customer needs.

Market Share

Bank Jatim as a Conventional Bank, in particular, faced competition with all conventional commercial banks of the BUKU III business class (banks with core capital of IDR5 trillion to IDR30 trillion) 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 credit extended by the Bank.

Table of Bank Jatim Market Share Compared to BUKU III III

(in IDR billion)

Description	Information	December 2020	December 2019	Increase / Decline
Total Assets	BUKU III	2,684,606	2,616,734	67,872
	Bank Jatim	83,619	76,756	6,863
	Market Share (%)	3.11%	2.93%	0.18%
Total Third-Party Funds	BUKU III	1,783,049	1,672,217	110,832
	Bank Jatim	68,468	60,546	7,922
	Market Share (%)	3.84%	3.62%	0.22%
Total of Credit Granted	BUKU III	1,563,092	1,734,182	(171,090)
	Bank Jatim	41,481	38,352	3,129
	Market Share (%)	2.65%	2.21%	0.44%

Source:

- Indonesian Banking Statistics - Financial Services Authority (Conventional BUKU III Data)
- Bank Jatim Internal Data

Bank Jatim's market share in 2020 compared to the BUKU III banking industry in the same period the previous year was fairly positive. This was driven by the performance of Bank Jatim's financial components which could still grow positively amid the COVID-19 pandemic, especially in the lending component which had an increasing trend compared to 2019. Market share based on assets in 2020 amounted to 3.11%, an increase of 0.18% compared to 2019 which amounted to 2.93%. Likewise, the market share based on third party funds and loans increased to 3.84% and 2.65% in 2020, respectively.

Diagram of Bank Jatim Market Share compared to BUKU III December 2020

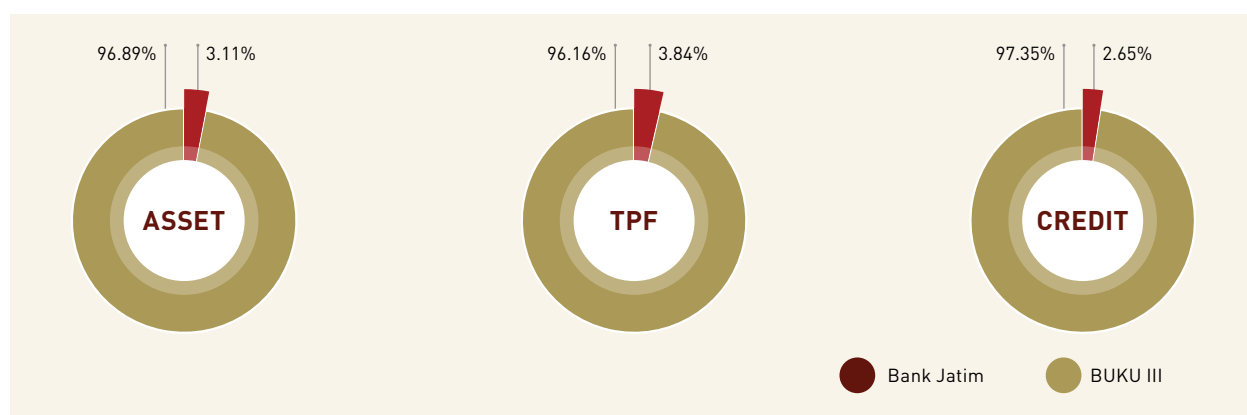
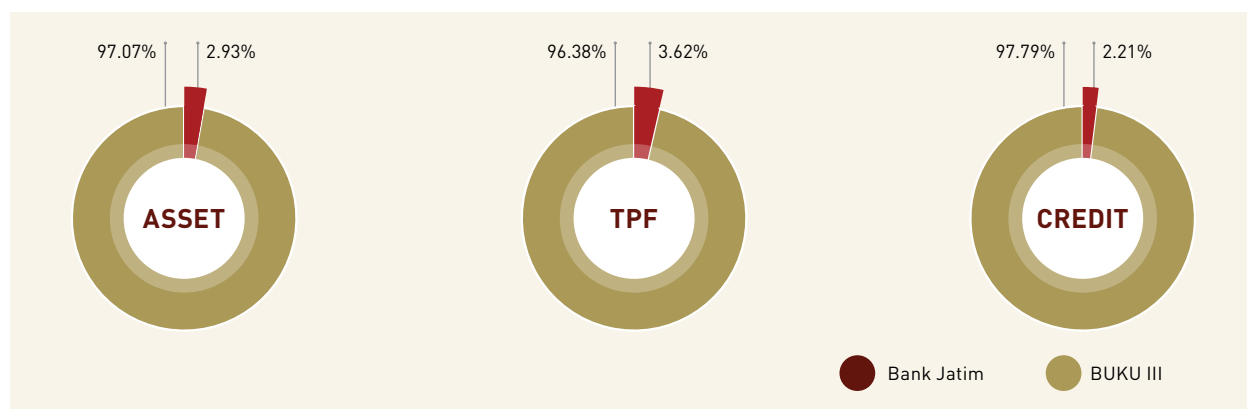
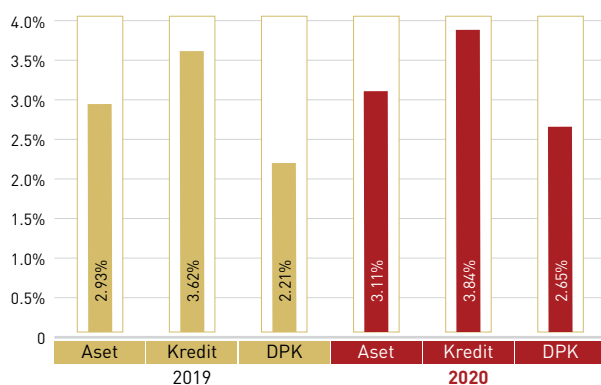


Diagram of Bank Jatim Market Share compared to BUKU III December 2019



**Graph of Bank Jatim
Market Share compared to BUKU III**



**Grafik Pangsa Pasar Bank Jatim
dibandingkan dengan Industri Perbankan Indonesia**

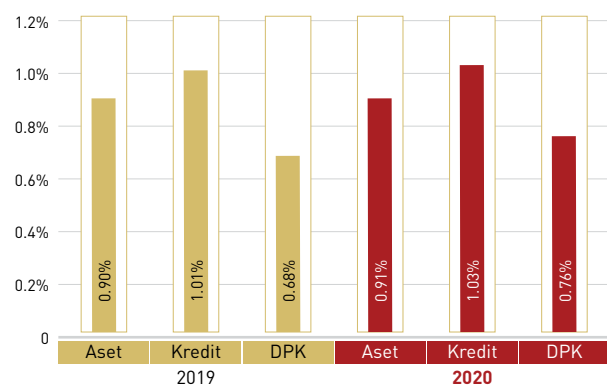


Table of Bank Jatim Market Share compared to Indonesia Banking Industry

(in IDR billion)

Description	Information	December 2020	December 2019	Increase / Decline
Total Asset	Banking Industry	9,177,894	8,562,974	614,920
	Bank Jatim	83,619	76,756	6,863
	Market Share (%)	0.91%	0.90%	0.01%
Total Third-Party Funds	Banking Industry	6,665,390	5,998,648	666,742
	Bank Jatim	68,468	60,546	7,922
	Market Share (%)	1.03%	1.01%	0.02%
Total of Credit Granted	Banking Industry	5,481,560	5,616,992	(135,432)
	Bank Jatim	41,481	38,352	3,129
	Market Share (%)	0.76%	0.68%	0.08%

Source:

- Indonesian Banking Statistics - Financial Services Authority (Conventional BUKU III Data)
- Bank Jatim Internal Data

In line with the trend of Bank Jatim's market share in the BUKU III banking industry, Bank Jatim's market share compared to the banking industry in Indonesia was also positive. Although not as big as the increase in the market share of Bank Jatim against BUKU III banking, all components observed experienced an increase in performance, particularly in the component of lending. Market share based on assets, TPF and loans granted in 2020 reached to 0.91%, 1.03% and 0.76% respectively, an increase compared to 2019 which reached to 0.90%, 1.01% and 0.68 %.

Diagram Pangsa Pasar Bank Jatim dibandingkan Industri Perbankan Indonesia Desember 2020

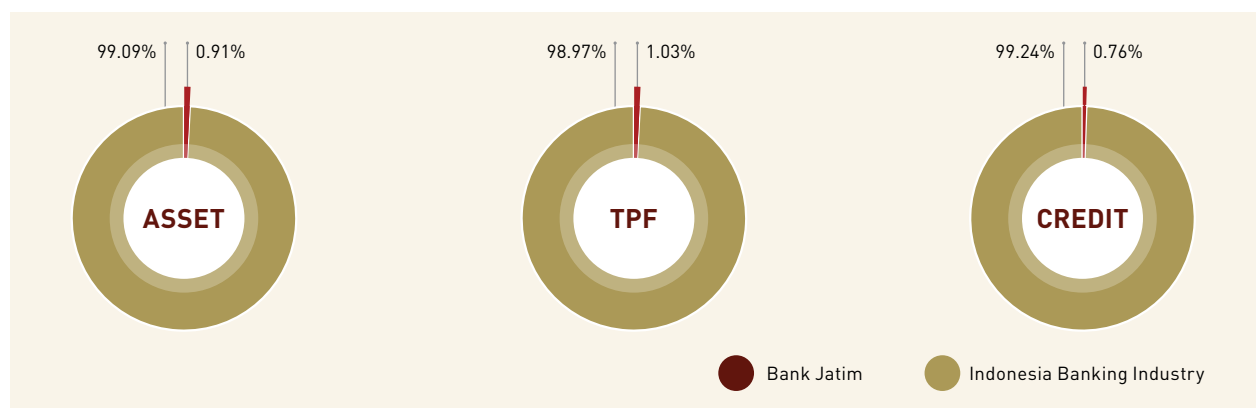
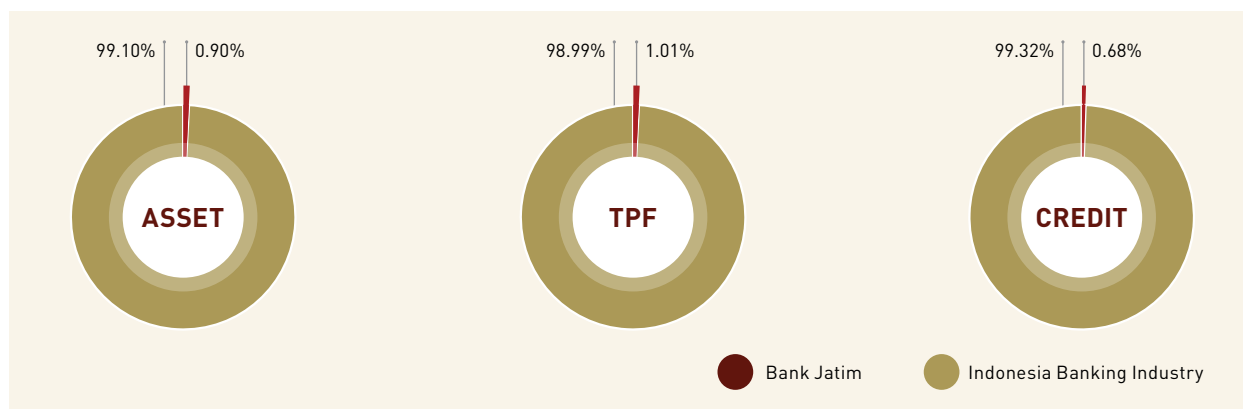
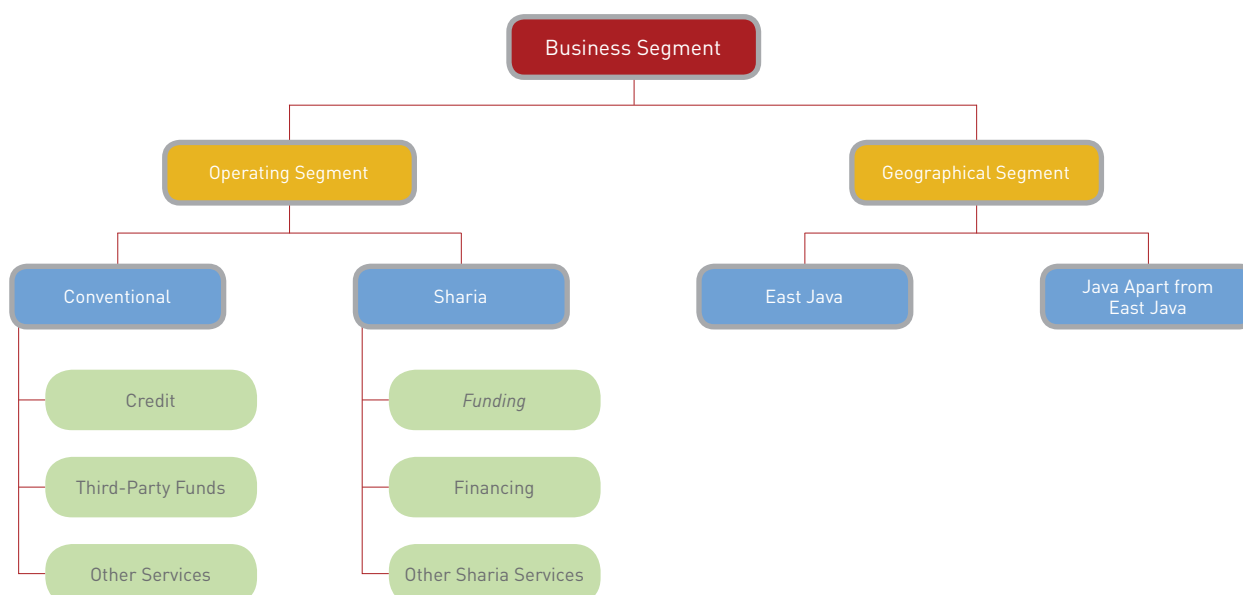


Diagram of Bank Jatim Market Share compared to Indonesia Banking Industry December 2019

Operation Review Per Business Segment



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

Bank Jatim loans consisted of Corporate and Syndicated Medium Loans, Consumer Loans, Retail Micro Loans and Programs.

CORPORATE AND SYNDICATED MEDIUM LOANS

Corporate and Syndicated Medium Loans consisted of Presidential Decree Working Capital Loans, Standby Loans, Installment General Working Capital Loans, Current Account Working Capital Loans, Investment Loans, Property Construction Loans, Syndicated Loans, Loans to Regional Public Service Bodies (BLUD), Financing Loans Receivables, Cash Collateral Credit (CCC), Local Government Credit, Trade Finance Credit. A description of each of the Corporate and Syndicated Medium Credit products is presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

Table of Corporate and Syndicated Medium Loans

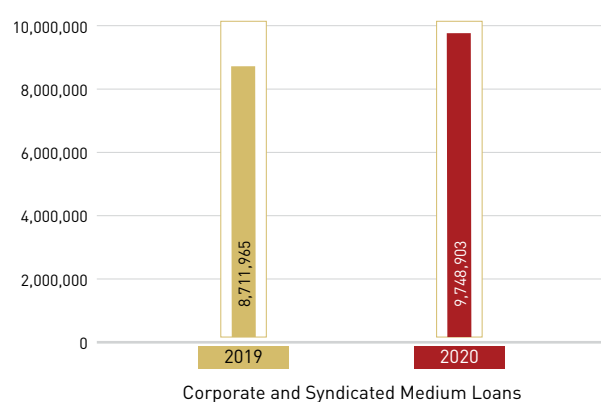
(in IDR million)

Description	2020	2019	Pertumbuhan	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Syndication	4,093,357	2,778,224	1,315,133	47.34%
Property Construction	216,403	215,789	614	0.28%
Local Government Loans	-	-	-	0.00%
Regional Public Service Agency (BLUD)	115,660	151,411	(35,751)	(23.61%)
General Investments	794,210	804,984	(10,774)	(1.34%)
General Working Capital	398,783	245,869	152,914	62.19%
Current Account Pattern (PRK)	3,161,270	3,104,226	57,044	1.84%
Presidential Decree	421,693	710,415	(288,722)	(40.64%)
Standby Loan	460,890	553,895	(93,006)	(16.79%)
Deposit Credit	33,151	33,642	(491)	(1.46%)
Restructuration	53,486	113,509	(60,023)	(52.88%)
Trade Finance	-	-	-	0.00%
Accounts Receivable Financing	-	-	-	0.00%
Total	9,748,903	8,711,965	1,036,938	11.90%

Total Corporate and Syndicated Medium Loans in 2020 reached to IDR9,949 billion, an increase of 11.90% compared to 2019 which reached to IDR8,711 billion. This increase came from the syndicated loan growth of IDR1,315 billion or 47.34%.

Graph of Corporate and Syndicated Medium Loans

(in IDR million)



2020 Corporate and Syndicated Medium Loans Strategy 2020

A description of the Medium and Corporate Credit strategy implemented in 2020 is presented as follows:

1. Data mining potential debtors for Cash Collateral Credit (CCC)/Credit deposits to all branches every month.
2. Excavation of cascading search for branches and centers weekly per month, in particular increasing the credit expansion of the KKS Division apart from the presidential decree and standby loan.
3. Improving product competitiveness by updating the Implementation Guidelines (BPP).
4. Reward prime customers to loyal debtors or prospective debtors who became prime customers at other banks.
5. Taking part in green financing and crediting for green infrastructure.
6. Providing stimulus and monitoring of debtors affected by COVID-19.

Business Prospects in 2021 Corporate and Syndicated Medium Loans

A description of the prospects for Medium and Corporate Credit business in 2021 is presented as follows:

1. Working Capital Credit Financing for Production/Industrial Businesses, one of which was the prospect of a prospective customer of PT Sri Rejeki Isman Tbk, which was engaged in the textile sector.
2. Investment Credit Financing for additional Working Capital for the Procurement of Medical Devices and Non-Medical Devices for Debtors on behalf of PT Darmayu Puri Kencana.
3. Additional KMK standby loan facilities for prime customer debtors.
4. Approach Syndicated Credit Facility agents to get opportunities for syndicated financing cooperation, especially for jobs in the East Java area.

2021 Corporate and Syndicated Medium Loans Strategy

A description of the Medium and Corporate Credit strategy to be implemented in 2021 is presented as follows:

1. Coordinating and establishing good cooperation with the Syndicated Facility Agents, in order to get offers to become Members of the New Syndicated Credit Formation.
2. Increasing the number of account (NoA) portion of potential sectors by:

- a. Mapping of potential sectors with the characteristics of sectors where there was potential and current.
 - b. Approaching to debtors to enter the debtor business association and obtain a list of prospective debtors.
3. Data mining of prospective CCC debtors/credit deposits to all branches every month.
 4. Excavation of cascading search for branches and centers weekly per month, in particular increasing the credit expansion of the KKS Division apart from the presidential decree and standby loan.
 5. Improving product competitiveness by updating the Implementation Guidelines (BPP).
 6. Giving reward prime customers to loyal debtors or prospective debtors who become prime customers at other banks.
 7. Taking part in green financing and crediting for green infrastructure.
 8. Providing stimulus and monitoring of debtors affected by COVID-19.

CONSUMER CREDIT

Consumer Loans consisted of Multipurpose Loans, Employee Loans and Personal Loan Car Allowance Programs, Motor Vehicle Loans, Property Loans. A description of each Consumer Credit product is presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

Table of Consumer Credit

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Multifunction	21,964,336	20,855,483	1,108,853	5.32%
Employee Loans	2,144,531	1,987,585	156,946	7.90%
Property Loans (General KPR, Property Backed Consumption Loans/ KKBP, Housing Financing Liquidity Facility/FLPP)	1,839,764	1,814,070	25,694	1.42%
Motor Vehicle Loans	2,720	2,624	95	3.64%
Total	25,951,351	24,659,762	1,291,589	5.24%

Total Consumer Credit in 2020 reached IDR25.95 trillion, an increase of 5.24% compared to 2019 which amounted to IDR24.66 trillion. The increase was mainly derived from the multipurpose loan growth of IDR5.32% or IDR1.11 trillion.

Based on composition, Multipurpose Loans provided the largest contribution, reaching 84.64%, followed by Employee Loans at 8.26% and Property Loans at 7.09% and Motor Vehicle Loans at 0.01% of total consumer loans in 2020. Number of credit debtors Consumptive Bank Jatim in 2020 was recorded at 244,084 debtors,

an increase of 9,580 debtors or 4.09% compared to 2019 with 234,504 debtors. The increase in the number of Consumptive Loans was more than the compensation for Multipurpose Loans, while the increase in the number of debtors was due to the distribution of credit, especially Multipurpose Loans with promos for New NoAs. From the conclusion above, the Multi-Purpose Loans Scheme made the biggest contribution, this was due to the right moment, namely the Multi-Purpose Loans promo and the Multi-Purpose Loans Program Prize Lottery so that many used the Multi-Purpose Loans facility.

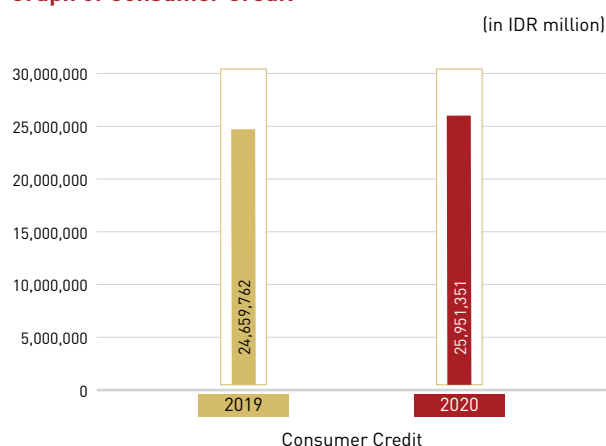
Table of Number of Consumer Credit Debtors

(in person)

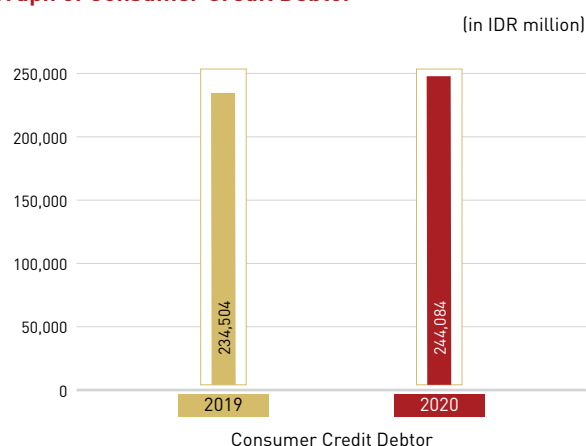
Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Multifunction	230,771	221,553	9,218	4.16%
Employee Loans	4,179	4,062	117	2.88%

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Property Loans (General KPR, Property Backed Consumption Loans/ KKBP, Housing Financing Liquidity Facility/FLPP)	8,918	8,688	230	2.65%
Motor Vehicle Loans	216	201	15	7.46%
Total Number of Debtors	244,084	234,504	9,580	4.09%

Graph of Consumer Credit



Graph of Consumer Credit Debtor



The descriptions of each consumer credit productivity are described as follows:

- Multiguna (Multipurpose) Loans**

Multipurpose Loans in 2020 amounted to IDR21,964 billion, an increase of IDR1,108 billion or 5.32% compared to 2019 of IDR20,855 billion. The number of Multipurpose Credit debtors increased by 9,218 debtors or 4.16% from 221,553 debtors in 2019 to 230,771 debtors in 2020. This was due to the right moments, namely the Multi-Purpose Credit promo and the Multipurpose Credit Program Lucky Draw.

- Employee Credit**

Employee Loans for 2020 amounted to IDR2,144 billion, an increase of IDR157 billion or 7.90% compared to 2019 which amounted to IDR1,987 billion. The number of Employee Credit debtors increased by 117 debtors or 2.88% from 4,062 debtors in 2019 to 4,179 debtors in 2020.

- Property Credit**

Property loans in 2020 amounted to IDR1,839 billion, an increase of IDR25,694 billion or 1.42% compared to 2019 of IDR1,814 billion. The number of property credit debtors increased by 230 debtors or 2.65% from 8,688 debtors in 2019 to 8,918 debtors in 2020. This was due to the increase in PKS with commercial and subsidized developers/ developers.

- Motor Vehicle Credit**

Vehicle loans in 2020 amounted to IDR2.72 billion, an increase of IDR95 million or 3.64% compared to 2019 which amounted to IDR2.62 billion. The number of Motor Vehicle Credit debtors increased by 15 debtors or 7.46% from 201 debtors in 2019 to 216 debtors in 2020.

2020 Consumer Loans Strategy

A description of the Consumer Credit strategy implemented in 2020 is presented as follows:

1. Developing the E-KMG Application to speed up services and simplify the discussion process up to the Multipurpose Credit disbursement.
2. Collaboration with other banks to take over Multipurpose Credit
3. Developing an application system to manage the administration of premiums, refunds and claims online (host to host).
4. Optimizing the realization of Motor Vehicle Loans by conducting PKS Motor Vehicle Loans between Bank Jatim and bona fide agencies/companies as well as dealers related to the purchase of 2 (two) and 4 (four) wheeled vehicles, including 4 (four) wheeled dealers with Nisan dealers, Toyota, Honda, Suzuki, Mazda, Mitsubishi, Astra.
5. Reviewing potential developers that had been implemented by the previous PKS (which was due for the end of the PKS).

6. Conducting a Memorandum Of Understanding (Mou) with the Association of Housing Developers in East Java.
7. Maximizing the potential quota that has been given by the Ministry of Public Works and Public Housing (PUPR) of 550 units (IDR140 million x 550 units = IDR77 billion)
8. Stimulus for debtors who applied for restructuring affected by COVID-19, prioritize those who had carried out PKS with private companies (their employees are temporarily dismissed)
9. Updating the Consumer Credit Division Implementation Guidelines (BPP) by keeping abreast of business developments

Business Prospects in 2021 Credit Consumer

A description of the business prospects for each consumer credit product in 2021 is presented as follows:

1. Multiguna (Multipurpose) Credit

Multipurpose Credit, namely the provision of credit in the consumptive sector and for other purposes as long as it does not conflict with applicable legal regulations. The prospect for 2021 multipurpose credit schemes are still the mainstay of Bank Jatim in distributing consumer loans. Bank Jatim also continues to expand to members of the community who have regular income and other incomes, including civil servants, BUMN / BUMD employees, PERUM employees, permanent non-PNS BLUD employees, educational institutions, members of the TNI / POLRI, private company employees, Indonesian citizens who become Multinational company employees, employees of private companies, national private companies, foreign private / Joint Ventures with PMA / PMDN status, members of the legislature, employees of foundations, employees of cooperatives, CPNS and Candidates for BUMN / BUMD employees, Board of Commissioners and Directors of Rural Banks (BPR), and Commissioners and Directors of BUMN / BUMD, Regional Heads, Contract Workers, Honorary Staff, Government Employees with Employment Agreements, Village Heads, Village Officials and Widows / Widowers Retired ASN.

2. Employee Credit and Personal Loan Car Allowance Program (CAP)

For employee loans and personal loan car allowance programs with business prospects in 2021, the scheme was still the flagship for the Consumer Credit Division which would be distributed to Bank Jatim employees and for the procurement of official vehicles with vehicle specifications in accordance with the provisions of CAP Bank Jatim.

3. Motor Vehicle Credit

The prospect in 2021 motor vehicle loans were vehicle loans used for consumptive purposes and in addition, Bank Jatim collaborated with dealerships of Nisan, Toyota, Honda, Suzuki, Mazda, Mitsubishi, and others. In the future, Bank Jatim would increase the expansion of motor vehicle loans.

4. Property Credit

The prospect of property loans in 2021 which was used for consumptive purposes was provided by the Bank for the purchase of landed houses, flats, shop houses or office houses that could be given to the public by banks to finance property ownership from developers and from non-developers. In the future, Bank Jatim would increase property credit expansion.

2021 Credit Consumer Strategy

A description of the Consumer Credit strategy that will be implemented in 2021 is presented as follows:

1. E-KMG Version 2 (two) which can accommodate debtors who do not payroll with Bank Jatim.
2. Holding promotions for Multipurpose Loans at certain moments such as education promos (class increase/new school year), BJTM anniversary, promos for Civil Servant Candidates (CPNS), promotions for new Number of Accounts (NoA), promos for pre-retirees and retirees, year-end promos and others.
3. Building a branch ecosystem with local governments involving regional heads, regional heads of offices, regional treasurers, and state civil servants (ASN) who are actively involved in the activities of Regional Government Organizations (OPD)
4. Optimizing financing for village officials through the implementation of PKS with the Indonesian Village Apparatus Association (PPDI).
5. Collaboration with other banks to take over Multipurpose Credit.
6. Reviewing and developing credit card products.
7. Analyzing prospective KKB debtors through salary payroll data to bid for vehicle units according to the credit limit calculation to be received.
8. Marketing KKB credits through the virtual expo application.
9. MCC with real estate developers and agents for new units and used homes.
10. Doing gatherings with Association Members and Housing Developers in East Java.
11. Host to Host Insurance for SKIM KPR.
12. Maximizing the Business Potential that has been given by the Ministry of PUPR & Public Housing Savings Management Agency (BP Tapera).
13. Updating the Implementation Guidelines (BPP) by following business developments.

MICRO, RETAIL AND PROGRAM LOAN

Micro, Retail and Program Loan consisted of Pundi Kencana Loans, Laguna Micro Credit, BPR Linkage Program Loans, People's Business Loans (KUR), Warehouse Receipt Loans, KKPA Bankit Loans, KKOP Bankit Loans, KUMK SU-005/KIP, Cattle Breeding Business Loans (KUPS), Food & Energy Security Credit (KKPE), DPM Fisheries, East Java Micro Credit and UMI Si Credit. An explanation of each Retail Micro Credit product and program had been presented in the Profiles section of the Product and Services Sub-Chapter in this Annual Report.

Table of Micro, Retail and Program Loan

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Pundi Kencana	1,891,880	1,879,254	12,626	0.67%
Laguna	3,006	4,777	(1,771)	(37.07%)
Linkage of Apex and Non-Apex Rural Banks (BPR)	323,761	158,168	165,592	104.69%
People's Business Loans (KUR)	-	26,689	(26,689)	(100.00%)
Warehouse receipt	-	70	(70)	(100.00%)
Member Primary Cooperative Credit Bank (KKPA)	632,780	535,186	97,594	18.24%
Credit Bank to Cooperatives (KKOP)	28,875	30,287	(1,412)	(4.66%)
Micro Small Business Loans (KUMK) SU-005/Government Investment Loans (KIP)	3,310	3,923	(613)	(15.62%)
Cattle Breeding Business Loans (KUPS)	4,036	8,478	(4,443)	(52.40%)
Food and Energy Security Loans (KKPE)	827	851	(24)	(2.82%)
Fisheries Capital Strengthening Fund (DPM)	-	-	-	
Jatim Micro Loans	1,199,128	853,365	345,763	40.52%
SiUMI Loans	85,549	77,691	7,858	10.11%
Total	4,173,152	3,578,740	594,412	16.61%

In 2020, Bank Jatim managed to distribute IDR4,173 billion, an increase of IDR594.41 billion or 16.61% compared to 2019, which amounted to IDR3,578 billion for Micro, Retail and Program Loans. The increase was caused by an increase in the Pundi Kencana loan scheme of IDR12.63 billion or 0.67%, KKPA Bankit Credit of IDR97.59 billion or 18.24%, East Java Micro Loan of IDR345 billion or 40.52%, and SiUmi Loan amounting to IDR7,85 billion or 10.11%.

Based on the composition, Pundi Kencana contributed the largest up to 45.33%, followed by East Java Micro credit at 28.73%, KKPA bank credit at 15.16% and BPR linkage at 7.76% of the total credit for the period December 31, 2020.

As of December 31, 2020, the number of productive credit debtors for the Micro, Retail, and Bank Jatim Program segments was recorded at 86,262 debtors, an increase of 39,063 debtors or 82.80% from 47,188 debtors in 2019.

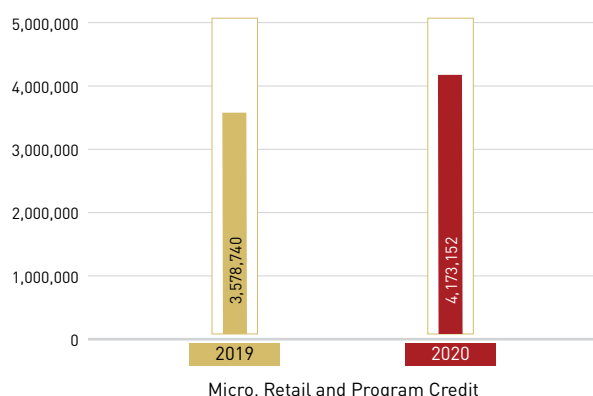
Table of Micro, Retail and Program Debtors

(in person)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Pundi Kencana	23,819	24,333	(514)	(2.11%)
Laguna	295	396	(101)	(25.51%)
Linkage of Apex and Non-Apex Rural Banks (BPR)	100	75	25	33.33%
People's Business Loans (KUR)	6	115	(109)	(94.78%)
Warehouse Receipt	7	7	-	0.00%
Member Primary Cooperative Credit Bank (KKPA)	18,211	14,557	3,654	25.10%
Credit Bank to Cooperatives (KKOP)	61	64	(3)	(4.69%)
Micro Small Business Loans (KUMK) SU-005/Government Investment Loans (KIP)	36	68	(32)	(47.06%)
Cattle Breeding Business Loans (KUPS)	5	13	(8)	(61.54%)
Food and Energy Security Loans (KKPE)	68	80	(12)	(15.00%)
Fisheries Capital Strengthening Fund (DPM)	2	2	-	0.00%
Jatim Micro Loans	42,797	6,691	36,106	539.62%
Kredit SiUMI	855	789	66	8.37%
Total Debtors	86,262	47,188	39,074	82.80%

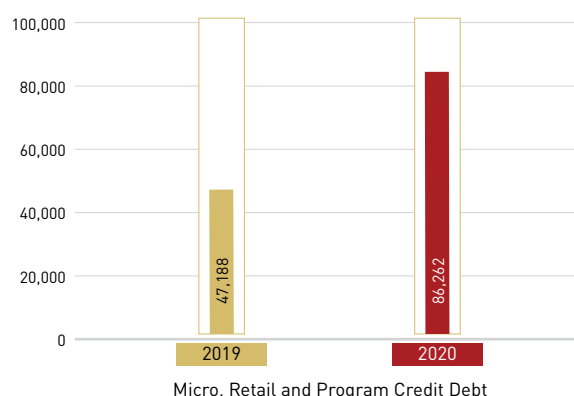
Grafik Kredit Mikro Ritel dan Program

(in IDR million)



Graph of Micro, Retail and Program Debtors

(in person)



A description of each performance of the Micro, Retail and Program credit is presented as follows:

- Laguna Micro Loan**

Laguna Micro Loan in 2020 amounted to IDR3 billion, decreased by IDR1.77 billion or 37.07% compared to 2019 which amounted to IDR4.77 billion. The number of Laguna Micro loan debtors decreased by 101 debtors or 25.51% from 396 debtors in 2019 to 295 debtors in 2020.

- Linkage Pogram BPR Loan**

The BPR Credit Linkage Program in 2020 reached IDR323.76 billion, an increase of IDR165.59 billion or 104.69% compared to 2019 of IDR158.17 billion.

- People's Business Credit**

The People's Business Credit in 2020 was no longer outstanding when compared to 2019, there was still an outstanding amount of IDR26.69 billion. The absence of the number of loans and debtors for People's Business Credit was because the Bank had not distributed since 2015. The bank planned to return to being a KUR Distribution Bank in 2021.

- Cow Breeding Business Loan (KUPS)**

Cow Breeding Business Loan (KUPS) in 2020 reached IDR4.04 billion, decreased by 52.40% or IDR4.44 billion compared to 2019 which amounted to IDR8.48 billion. The number of Cattle Breeding Business Credit debtors decreased by 8 debtors from 13 debtors in 2019 to 5 debtors in 2020. The decrease in the number of credits and debtors for Cattle Breeding Business Credit was due to the Bank since 2015 had not distributed this credit.

- Food and Energy Resilience Loan (KKPE)**

The Food and Energy Security Credit (KKPE) in 2020 reached IDR827 million, a decrease of 2.82% or IDR24 million compared to 2019 which amounted to IDR851 million. The number of Food and Energy Security Credit debtors decreased by 12 debtors from 80 debtors in 2019 to 68 debtors in 2020. The decrease in the number of loans and debtors for Food Security and Energy Credit was due to the fact that the Bank since 2016 had not distributed this loan.

- KUMK SU-005/KIP**

KUMK SU-005/KIP in 2020 reached IDR3.31 billion, decreased by IDR613 million or 15.62% compared to 2019 which amounted to IDR3.92 billion. The number of KUMK SU-005/KIP debtors decreased by 32 debtors or 47.06% from 68 debtors in 2019 to 32 debtors in 2020.

- KKPA Bankit Loan**

The KKPA Bankit Credit in 2020 reached IDR632 billion, an increase of IDR97.5 billion or 18.24% compared to 2019 of IDR535 billion. The number of KKPA Bankit Credit debtors increased by 3,654 debtors or 25.10% from 14,557 debtors in 2019 to 18,221 debtors in 2020.

- KKOP Bankit Loan**

KKOP Bankit Loans in 2020 reached IDR28.87 billion, decreased by IDR1.41 billion or 4.66% compared to 2019 amounting to IDR30.29 billion, the number of KKOP Bankit Credit debtors decreased from 2019 to 2020 by 3 debtors.

- Jatim Micro Loan**

Micro East Java credit in 2020 reached IDR1.20 trillion, growing by IDR345.76 billion or 40.52% compared to 2019 which amounted to IDR853.37 billion. The number of Micro Jatim Credit debtors increased by 36,106 debtors or 539.62% from 6,691 debtors in 2019 to 42,797 debtors in 2020.

- SiUMI Credit**

SiUMI credit in 2020 reached IDR85.55 billion, growing by IDR7.86 billion or 10.11% compared to 2019 amounting to IDR77.69 billion. The number of SiUMI credit debtors increased by 66 debtors or 8.37% from 789 debtors in 2019 to 855 debtors in 2020.

2020 Micro, Retail and Program Loan Strategy

The description related to strategy of Micro Retail Loans and Programs that had been carried out in 2020 are presented as follows:

1. Increasing the synergy between Bank Jatim and BPR Perbramid by holding gatherings in November 2020.
2. Marketing credit products through Bank Jatim social media.
3. Accelerating the credit process through technological improvements, both in digital credit registration and in the credit banking process.
4. Several times conducting trade mission activities in collaboration with the East Java Provincial Industry and Trade Office which functions to increase cooperation between provinces and providing opportunities for the exchange of goods between provinces.
5. Conducting synergy with the Village Community Empowerment Office of East Java Province regarding BUMDES financing.
6. Increasing the brand image of Bank Jatim credit products by conducting promotions through print, online and also through exhibitions that were participated in by Bank Jatim but still considered health protocols in accordance with government directives.
7. Restructuring debtor credit with the appearance of COVID-19 which aimed to maintain the growth of MSMEs in East Java so that they could continue to do business and maintain bank NPLs.

Business Prospects in 2021 for Micro, Retail and Program Loan

A description of the business prospects of each Retail Micro Credit and Program product in 2021 is presented as follows:

1. Pundi Kencana

Pundi Kencana is one of the productive credit schemes owned by Bank Jatim that supports prospective borrowers to get capital assistance, especially MSME debtors with a maximum credit limit of IDR1 billion. Prospects for 2021 The Pundi Kencana Credit Scheme is still a mainstay of Bank Jatim in distributing Productive Loans (MSMEs). Bank Jatim also continues to expand to provide capital to MSMEs with competitive interest rates and features in order to increase class and UMKM to be bigger. In addition, the collaboration between Bank Jatim with related agencies and agencies can provide further information regarding groups or individual MSMEs that have the potential to be funded.

2. Linkage of BPR and PRK BPR

Linkage BPR is a credit scheme for the Micro-Retail and Program Credit Division with the executing pattern and BPR is the credit target of this scheme. The prospect for 2021 of BPR linkage credit schemes and BPR current accounts is that Bank Jatim will improve cooperation with BPRs, especially BPR Perbamam and Perbarindo Jatim and do not rule out increasing expansion to BPR-BPR Perbamam and Perbarindo outside East Java Province.

3. Bankit KKPA and KKOP

Bankit KKPA and KKOP are Bank Jatim products that provide capital to cooperatives in the working area of Bank Jatim, both to savings and loan cooperatives and other forms. The form of KKPA credit is the executing scheme and for KKOP the working capital scheme. Business prospects in 2021 Bankit KKPA and KKOP are still superior for the Micro-Retail and Program Credit Division which will be distributed to corporate cooperatives and bona fide cooperative institutions.

4. Jatim Micro Loan

Jatim Micro Credit is a credit channeled by Bank Jatim through micro units with the target of MSME credit in East Java province, the maximum limit that can be given is up to IDR500 million. Prospects for 2021 Credit Jatim Micro is still a mainstay of Bank Jatim to target loans up to the ultra-micro scale plus Bank Jatim has collaborated with PT Amarta Fintech to expand the debtor network and increase the number of NoAs and outstanding Micro Loans at Bank Jatim. In addition, Bank Jatim will also increase Micro credit expansion through BumDes and also cooperate with related agencies.

5. People's Business Credit (KUR)

For the People's Business Credit (KUR), Bank Jatim for 2021 plans to start distributing KUR with a quota that has been approved by the regulator with distribution that focuses on super-micro, micro, and small KUR schemes.

2021 Micro, Retail and Program Credit Strategy

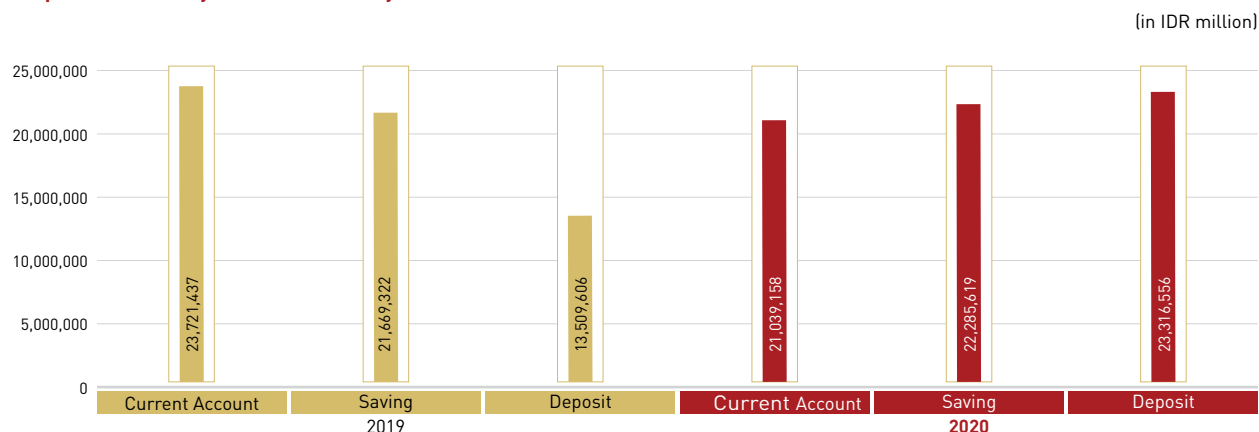
The description of the Retail Micro Credit strategy and Programs to be implemented in 2021 is presented as follows:

1. Developing the E-Loan and Jatim Kilat applications by mobile as a way to more quickly process credit applications.
2. Cooperating with related agencies to open up opportunities for greater credit expansion, especially in East Java.
3. Increasing cooperation in distributing Micro and MSME Loans through Fintech companies.
4. Expanding the UMKM target market by collaborating with associations and increasing cooperation with all BUMDES in East Java.
5. Providing credit promotion.
6. Improving the monitoring of the implementation of credit expansion in order to maintain the collectability of current loans
7. Increasing the brand image by participating in various promotional activities or exhibitions both held by the Bank, local government, as well as in collaboration with various related agencies while still paying attention to health protocols (can be done online)
8. Increasing financing and funding cooperation with BPRs in East Java.
9. Bank Jatim registered with the Ministry to become a KUR Distribution Bank.

THIRD-PARTY FUNDS/SAVINGS

Third party funds in the conventional segment of Bank Jatim consisted of demand deposits, savings and time deposits.

Graph of Third-Party Funds Productivity



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

Giro 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.

Table of Current Account Productivity

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Local Government Current Accounts	14,112,454	15,007,973	(895,519)	(5.97%)
General Current Accounts	6,927,215	8,713,464	(1,786,259)	(20.50%)
Total	21,039,669	23,721,437	(2,681,768)	(11.31%)

Current accounts in 2020 reached IDR21,039,669 million, down 11.31% compared to 2019 which reached IDR23,721,437 million. The decrease was mainly due to a decrease in general demand deposits by IDR1,786,259 million.

Regional Government Current Account is a demand deposit owned by the Regional Government level I and level II. Regional government demand deposits in 2020 reached IDR14,112,454 million, a decrease of 5.97% compared to 2019 which amounted to IDR15,007,973 million. Likewise, General Demand Deposits decreased by 20.50%, from IDR8,713,464 million in 2019 to IDR6,927,215 million in 2020.

2020 Current Account Strategy

A description of the strategies that had been carried out by Bank Jatim throughout 2020 regarding third-party funds, namely demand deposits, are presented as follows:

- Optimization of Non-Cash Financial Services with Local Governments
 - Optimization of Regional Original Income (PAD) through Tapping Box, SP2D Online, and Corporate Internet Banking.

- Distribution of Non-Cash Assistance Programs (E-Bansos).
- Supply Chain/Digital Ecosystem, which was the opening of Bank Jatim Accounts for Government partners as a means of financial transactions.
 - Cooperation with the State Asset Management Institute (LMAN) for placement of funds.
 - Collaboration with the East Java Provincial Education Office for the distribution of Physical Special Allocation Funds (DAK).
 - Cooperation between Financial Services and Hospitals in East Java:
 - Hospital operational fund management.
 - Payroll for employee salaries and credit distribution.
 - Hospital payment services via Virtual Account.
 - Collaboration with educational institutions (schools, universities, and Islamic boarding schools):
 - Operational fund management.
 - Payroll of salaries.
 - Payment services for educational institutions through Virtual Accounts and Host to Host (H2H).

7. Exploring potential General Current Account customers, such as approaching members of the Association of Contractors, Manufacturers and Entrepreneurs in the East Java region;
8. Collaboration with *BPJS Ketenagakerjaan* (National Employees' Insurance) to receive Contribution, Payment of *BPJS Ketenagakerjaan* Participants and Payment of BUBM through banking services;
9. Collaboration with GoPay (PT Dompot Anak Bangsa) to utilize GoPay services through the GoBills feature.
10. Cooperation with Koperasi Nusantara to disburse pension loans and deduct pension funds for pension loan installments.
11. Collaboration with Nasari Savings and Loans Cooperative to deduct pension funds for credit installments.

Current Account Business Prospects in 2021

In 2021, the prospect of the current account business will be even better. This is supported by an increase in funds in Giro through collaboration with an aggregator of payment service providers, where the aggregator is required to place a number of funds as a guarantee for payment of transactions as well as proposals for cooperation with educational institutions that do not have an online payment system.

2021 Current Account Strategy

The description related to current account strategy that will be conducted in 2021 is in the following:

1. Collaboration with payment service provider aggregators to expand the payment network of Bank Jatim and for placement of funds
2. Financial Services Cooperation with hospitals in the East Java region:
 - a. Management of hospital operational funds
 - b. Payroll for employee salaries and credit distribution
 - c. Payment for hospital services through a virtual account.
3. Collaboration with educational institutions (schools, colleges, and Islamic boarding schools)
 - a. Operational fund management
 - b. Payroll of salaries
 - c. Payment services for educational institutions through virtual accounts and Host to Host (H2H).

SAVINGS

Bank Jatim savings consisted of Simpeda Savings, Hajj Savings, Cycle Savings, *Tabunganku* (My Saving), Student Savings (SIMPEL) and Smart Savings (SiPandai).

Table of Savings Productivity

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Simpeda	15,148,485	15,124,888	23,597	0.16%
Siklus	4,047,704	3,876,937	170,767	4.40%
Tabungan Haji	22,838	26,199	(3,361)	(12.83%)
Tabunganku	3,015,202	2,594,357	420,845	16.22%
Tabungan Simpel	50,945	46,661	4,284	9.18%
Tabungan Sinyal	444	279	165	59.14%
Total	22,285,619	21,669,322	616,297	2.84%

Total Savings in 2020 reached IDR22,286 billion, an increase of 2.84% compared to 2019 which reached IDR21,669 billion. This increase came from an increase in Tabunganku (My Saving) growth by IDR421 billion.

The description of savings performance is presented as follows:

- **Simpeda**
In 2020, the amount of Bank Jatim Simpeda Savings reached IDR15,148 billion, an increase of IDR23 billion or 0.16% compared to 2019 of IDR15,124 billion. This was in line with the increase in the number of Simpeda savings customers, which also increased to 2,168,428 customers.
- **Siklus**
The amount of funds raised from Siklus Savings in 2020 reached IDR4,047 billion, an increase of IDR170 billion or 4.40% compared to 2019 of IDR3,876 billion. The increase was in line with the number of Siklus Savings customers to 483,555 customers.
- **Tabungan Haji**
The total Hajj Savings in 2020 reached IDR22 billion, down by IDR3 billion or 12.83% compared to 2019 which amounted to IDR26 billion and decreased by IDR160 billion or 701% compared to 2018 which amounted to IDR183 billion. Furthermore, the number of Hajj Savings customers was 33,677.
- **Tabunganku**
The amount of funds raised from TabunganKu products in 2020 reached IDR3,015 billion, an increase of IDR420 billion or 16.22% compared to 2019 which amounted to IDR2,594 billion. The increase was in line with the number of customers for TabunganKu products of 3,977,362 customers.

• Simpanan Pelajar (Simple)

In 2020, the amount of Bank Jatim Student Savings (SIMPEL) was IDR50 billion, IDR4 billion higher or 9.18% compared to 2019 which amounted to IDR46 billion. This was in line with the increase in the number of Student Savings (SIMPEL) customers to 333,306 customers.

• Fishermen Savings (Sinyal)

In 2020, the number of Bank Jatim Fishermen's Deposits (SINYAL) was IDR444 million, an increase of IDR165 million or 59.14% compared to 2019 which amounted to IDR279 million. In line with this increase, the number of fishermen's savings account (SINYAL) customers also increased to 185 customers.

2021 Savings Strategy

The description of the strategy that had been carried out by Bank Jatim in 2020 related to savings is presented as follows:

1. Collaboration with PT ASABRI (Persero) to increase the number of retired TNI/Polri/ASN Kemenkumham through approaches with local Units and Polres.
2. One Student One Account (OSOA) Program:
 - a. Carrying out a Joint Commitment between the Governor of East Java, OJK, and Bank Jatim
 - b. Opening a savings account for every student in East Java.
3. Optimizing Laku Pandai by increasing the number of Smart Laku Agents, SiPandai Savings, and Outstanding Savings through promo programs.
4. Collaboration with educational institutions (schools, colleges and Islamic boarding schools), including the Co-Branding of Bank Jatim ATM Cards for Student Cards, Student Cards, Santri Cards, or Alumni Cards.
5. Optimizing QRIS by holding a QRIS merchant acquisition program and a Promo Transaction program at QRIS merchants at Bank Jatim.
6. Event Promo Program through:
 - a. Jatim Prioritas Community (cooking class, sport and music)
 - b. Priority East Java Goes to Mall
 - c. Implementation of the East Java Garage Event (Millennial Event)
 - d. Sponsorship Event (Surabaya Marathon, Jazz Traffic, etc.)
7. Simpeda and Siklus Lucky Draw Program.
8. Collaboration with the Head of the Muslimat NU Branch for the payment of dues for Muslimat NU members.
9. Collaboration with BPJS Ketenagakerjaan regarding BPJS Shield Agents.

10. Collaboration with PT POS Indonesia (Persero) KanReg VII East Java for the payment of employee salaries in the working area of KanReg VII East Java through the Payroll system.
11. Collaboration with the East Java Provincial Social Service with the appointment of Bank Jatim as the distributor for the 2020 Elderly Social Security Program.
12. Collaboration with the East Java Provincial Education Office
 - a. Distributing Banks for Educational Operational Supporting Support Programs (BPOPP) for SMA, SMK, and PKPLK Public Private Education throughout East Java.
 - b. Distribution of Professional Education Allowance Funds for SMA, SMK, and PKPLK.
 - c. Distribution of Additional Income Fund (TAMSIL).
 - d. Distribution of Teachers salaries for SMA, SMK, and PKPLK.

Savings Business Prospects in 2021

The prospect of the savings business for 2021 will be good, this is supported by financial literacy, especially for students to open Student Savings (SIMPEL) as well as increased prizes and services in the Interest Plus Cycle Program, the Like-Like Cycle (Priority East Java), and so on with the potential for an increase in new customers and savings funds.

2021 Savings Strategy

A description of the strategy to be carried out by Bank Jatim in 2021 related to third party funds, namely savings, is presented as follows:

1. Organizing the Interest Plus Cycle Program, the Like-Like Cycle (Priority East Java), and so on to increase the savings fund.
2. Collaboration with educational institutions (schools, universities, and Islamic boarding schools), especially students, to open Student Savings Savings (SIMPEL).
3. Promotion program through several events/activities such as the Simpeda Lucky Draw, Cycle Sweepstakes, East Java Garage, One Student One Account (KEJAR) and other agendas/activities.
4. The Siklus Bunga Plus Savings Program to increase the interest of the public/customers to save funds in the form of savings.
5. Priority East Java promotion program (Siklus Suka-suka).

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 Rupiah and Foreign Currency (USD and SGD).

Table of Deposit Productivity

(in IDRmillion)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Deposit	23,316,556	13,509,606	9,806,950	72.59%

Bank Jatim deposits could be used as credit collateral with competitive interest rates and could be negotiated. Time deposits in 2020 reached IDR23,317 billion, an increase of 72.59% compared to 2019 which reached IDR13,509 billion. Bank Jatim also succeeded in attracting 58,122 customers in 2020, growing by 5,789 customers or 10% from 52,333 customers in 2019 and growing by 9,434 customers or 16% from 48,688 customers in 2018.

2020 Time Deposit Strategy

A description of the strategies that had been carried out by Bank Jatim throughout 2020 regarding third party funds, namely deposits are presented as follows:

1. Cooperation with the State Asset Management Institute (LMAN) for placement of funds.
2. Collaboration with BPJS Ketenagakerjaan for placement of funds.
3. Collaboration with PT Asuransi Jiwa Taspen for placement of funds as a commitment from the Collaboration of Insurance Premium Bill Payment through Autodebet services.

Time Deposits Business Prospects in 2021

Business prospects related to third party funds, namely deposits in the future will be better by making offers to customers in the hospital environment, such as doctors, medical officers, and so on and making offers to notaries, businessmen, and institutions.

2021 Time Deposit Strategy

In 2021, the Bank will collaborate with an aggregator of payment service providers for placement of funds.

OTHER SERVICES

Other services consist of Treasury and Bank Jatim Custodian.

TREASURY

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).

Table of Treasure Productivity

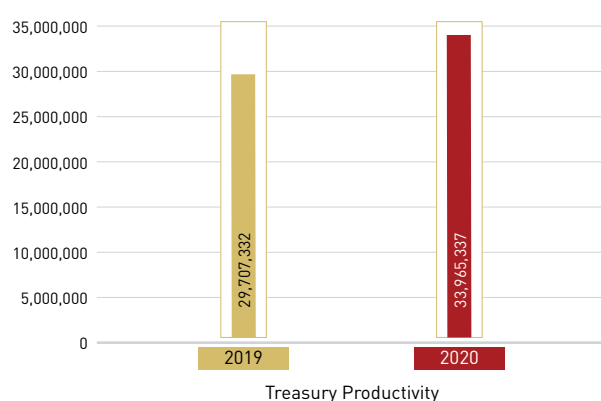
(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Placement with Bank Indonesia	4,149,758	3,399,584	750,174	22.07%
Placement with Other Bank	2,339,500	8,347,000	(6,007,500)	(71.97%)
Securities	13,405,465	8,919,967	4,485,496	50.29%
Reverse Repo Receivables	12,560,614	5,832,349	6,728,265	115.36%
Repo Receivables	0	1,038,432	(1,038,432)	(100.00%)
Loans With Other Bank	1,510,000	2,170,000	(660,000)	(30.41%)
Total	33,965,337	29,707,332	4,258,005	14.33%

The Treasury Business segment of Bank Jatim consists of the placement with Bank Indonesia, placements with other banks, securities and reverse repos. In 2020, the treasury business experienced an increase with a portfolio increase of 14.33% from IDR29,707 billion in 2019 to IDR33,965 billion in 2020. The entire portfolio consisted of placements with Bank Indonesia amounting to IDR4,149 billion, placements with Banks others amounting to IDR2,340 billion, securities ownership amounting to IDR13,405 billion and reverse repo amounting to IDR12,560 billion.

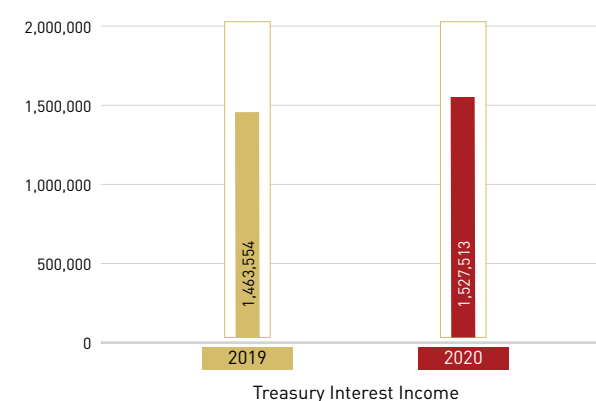
Graph of Treasury Productivity

(in IDR million)



Graph of Treasury Interest Income

(in IDR million)



In terms of interest income on investment returns, all treasury portfolios also experienced a significant increase in 2020 when compared to 2019. Changes in portfolio composition by increasing the composition in ownership of Securities succeeded in providing greater investment returns on 2020. Furthermore, the details of interest income from the treasury business are as follows:

Table of Treasury Interest Income

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Placement with Bank Indonesia	103,645	39,346	64,299	163.42%
Placement with Other Bank	159,121	445,528	(286,407)	(64.28%)
Securities	733,312	622,053	111,259	17.89%
Reverse Repo Receivables	531,435	356,628	174,807	49.02%
Total	1,527,513	1,463,554	63,959	4.37%

Throughout 2020, Bank Indonesia lowered the BI 7-day reverse repo rate by 150 basis points (bps) from 4.50% to 3.75%. In line with these conditions, there was a decline in the portfolio of placements with other banks in the form of interbank call money (placements). This decline was also caused by market conditions where the position of almost all of the Bank's counterparties had sufficient liquidity throughout 2020 so that not many Bank counterparties needed additional liquidity from the money market. In addition, Bank Jatim was also pursuing a policy to be more selective in choosing counterparties as a form of prevention against Banks affected by the pandemic conditions in 2020. Therefore, in order to optimize revenue, the existing idle funds were placed with Bank Indonesia and reverse repo. As a result, there was a significant increase in the portfolio of placements with Bank Indonesia and reverse repos in 2020.

Another strategy in optimizing income from idle funds was to increase the share of securities purchases on the capital market in 2020. Marketable securities portfolio as of December 31, 2020 experienced a significant increase by 49.80 from IDR8,919 billion in 2019 to IDR13,362 billion in 2020. 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. Due to the implementation of these strategies, the Bank was able to maintain the performance of the treasury business with interest income on securities which grew by 21.11% from IDR622 billion in 2019 to IDR753 billion in 2020.

Bank Jatim also succeeded in managing liquidity efficiently by continuing to apply the principle of compliance with Bank Indonesia regulations regarding the Minimum Statutory Reserves (GWM) and Net Open Position (PDN) throughout 2020. Realization of primary GWM in Rupiah on average on December 31, 2020 was 3, 23% above the Bank Indonesia regulation of 3%. Meanwhile, the average foreign exchange reserve requirement on December 31, 2020 was 8.22%, above the Bank Indonesia regulation of 4%.

Throughout 2020, Bank Indonesia lowered the BI 7-day reverse repo rate by 75 bps from 4.50% to 3.75%. This decline could still be anticipated by Bank Jatim quite well. During 2020, the Treasury Division as a whole posted total revenue of IDR1,559 billion, growing 30.75% from 2019 of IDR1,468 billion.

In 2021, Bank Jatim will still face a challenging year for the treasury business which is affected by the global economic slowdown due to the COVID-19 pandemic. The Treasury Division will continue to strive to increase its role in optimizing bank business growth in terms of liquidity management, raising funds and increasing transactions. The Treasury Division will continue to optimize idle funds through investment by prioritizing the principle of prudence in instruments that generate high yields for the Bank, especially by enlarging the marketable securities portfolio. In addition, in order to support the optimization of idle funds and increase non-credit interest income, the Treasury Division through the Financial Institution Unit will launch a new Term Loan Facility (TLF) product, which is a loan product for Bank counterparties. In the future, the financial institution will also strengthen its function as the gateway for inbound and outbound business relations between Bank Jatim and counterparts, both at home and abroad.

BANK JATIM CUSTODIAN

Bank Jatim obtained an operating permit for custodian services from the OJK under the letter No. S-4/ PM.2/2019 dated January 29, 2019. Bank Jatim Custodian is part of Funds and Services Division, Priority Banking & Custodian Sub Division, services provided by the Bank include:

1. Safekeeping and administration of securities and other valuable documents
2. Settlement of sale-purchase transactions of Securities with scrip or without scrip (scripless).
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.

Tabel Produktivitas Bank Jatim Kustodian

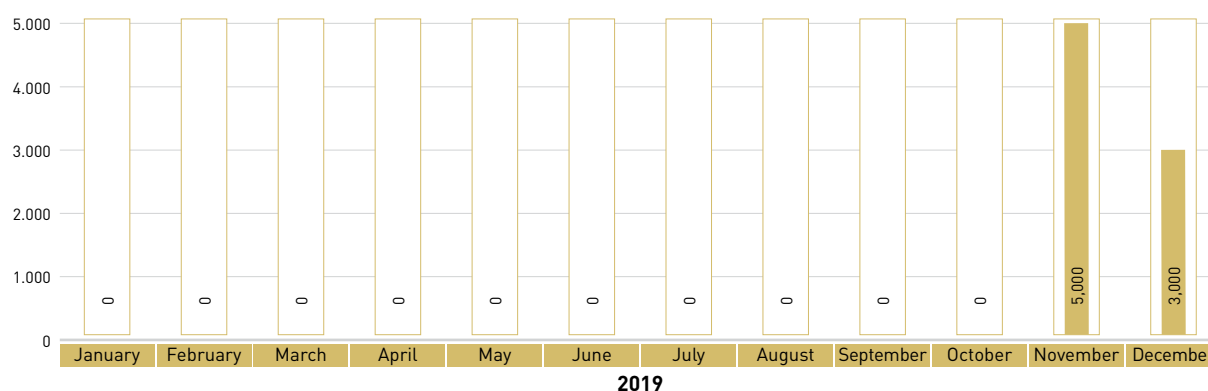
(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
ASSET UNDER CUSTODY				
January	170,000	0	170,000	100.00%
February	635,900	0	635,900	100.00%
March	812,900	0	812,900	100.00%
April	812,900	0	812,900	100.00%
May	1,033,900	0	1,033,900	100.00%
June	1,220,400	0	1,220,400	100.00%
July	1,340,400	0	1,340,400	100.00%
August	1,424,400	0	1,424,400	100.00%
September	1,634,000	0	1,634,000	100.00%
October	1,623,000	0	1,623,000	100.00%
November	1,598,000	5,000	1,593,000	31,860%
December	1,498,000	3,000	1,495,000	49,833%
Mature effect	146,000	0	146,000	100.00%

The number of assets under custody in 2020 reached IDR1.49 trillion, an increase of 18,525% compared to 2019 which reached IDR8.00 billion. This significant increase was due to the Custodian Bank Jatim started operating in November 2019.

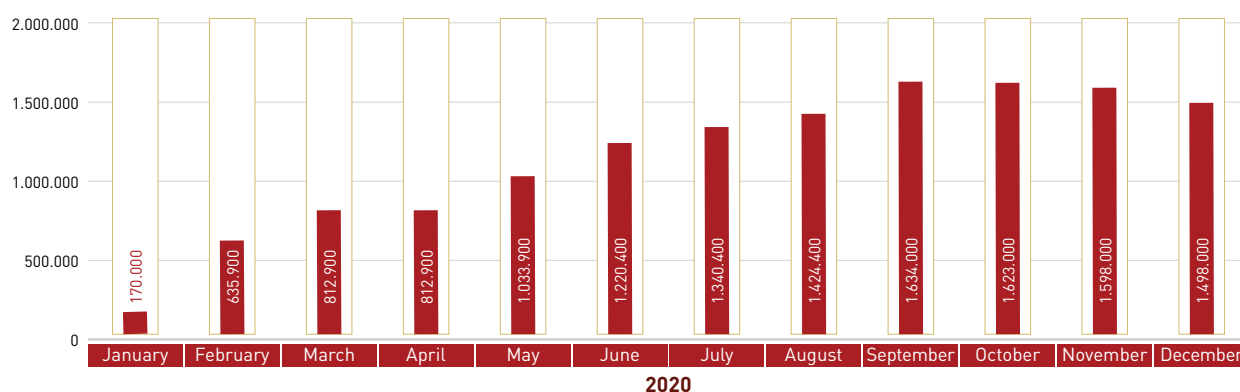
Graph of Bank Jatim Custodian Securities Managed Fund

(in IDR million)



Graph of Bank Jatim Custodian Securities Managed Fund

(in IDR million)



Custodian service customers came from internal Bank Jatim, so there was no income and profit from this activity. However, there is a cost efficiency of securities previously deposited by the Treasury Division in other custodian banks. The amount of savings for securities management in 2020 reached IDR435,476,481.

2020 Bank Jatim Custodian Strategy

The strategies that had been carried out by the Custodian Bank Jatim throughout 2020 are presented as follows:

1. Evaluation of the core custodian system.
2. Approaching local governments throughout East Java to become custodian customers.
3. Cooperating with custodial services with the Pension Fund Foundation in East Java.

Bank Jatim Custodian Business Prospects in 2021

The custodian Bank Jatim business prospects in 2021 are presented as follows:

1. Administering Bank Jatim (Treasury) securities purchased in 2021.
2. Administering securities belonging to the Bank Jatim Employee Pension Fund (DPP) purchased in 2021.
3. Administering Government Securities in East Java which were purchased in 2021.

2021 Bank Jatim Custodian Strategy

The strategy that will be carried out by the custodian Bank Jatim in 2021 is described as follows:

1. Socialization of custodian services.
2. Updating the core custodial system which can accommodate reconciliation, electronic submission of proxies and adjustments to C-Best.
3. Approaching local governments throughout East Java to become custodian customers
4. Cooperating with Custodian Services with the Pension Fund Foundation in East Java.
5. Cooperating with Custodian Services with BUMD companies and private companies in the East Java region.
6. Marketing custodial services to fellow Regional Development Banks (BPD) with more competitive storage costs.

Conventional Segment Income and Profitability

The operating income for the conventional segment in 2020 has reach IDR4,289,240 million, an increase of 0.66% compared to the previous year which reached IDR4,261,195 million This increase was derived from an Increase in Interest Income.

The operating profit of the conventional segment in 2020 reached IDR1,504,486 million, a decrease of 16.15% compared to the previous year which reached IDR1,794,287 million. The decrease came from the formation of CKPN Credit.

Table of Conventional Segment Income and Profitability

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Asset	80,550,394	74,329,157	6,219,362	8.37%
Liabilities	70,556,651	65,146,225	5,407,776	8.31%
Operating income	4,289,240	4,258,835	28,045	0.66%
Operational profit	1,504,486	1,794,287	(289,801)	(16.15%)

Sharia Segment

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, 9 (nine) Sharia Payment Points, 195 Sharia Service Offices (KLS), 24 ATM Machines, 2 CRM ATM Machine and 6 Mobile Cash Cars.

Sharia Segment Explanation and Productivity

FUNDING

Sharia third party funds consist of Amanah Giro, Barokah Savings, iB Amanah Haji Savings, Ku Savings, iB Simpel Savings, Barokah Sejahtera Savings, iB Amanah Umroh Savings, iB Barokah Plan Savings, 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.

Table of Total Funding

(in full IDR)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Giro Amanah	89,745,249,370	104,441,366,517	(14,696,117,147)	(14.07%)
Barokah Savings	261,496,345,003	241,672,203,065	19,824,141,938	8.20%
Haji iB Amanah Savings	263,576,644,068	256,389,391,946	7,187,252,122	2.80%
TabunganKu iB	45,484,580,764	40,088,117,966	5,396,462,798	13.46%
Simpel iB Savings	5,439,317,385	5,450,015,276	(10,697,891)	(0.20%)
Barokah Sejahtera Savings	7,791,150,940	7,344,957,782	446,193,158	6.07%
Umroh iB Amanah Savings	3,881,909,229	2,376,967,959	1,504,941,270	63.31%
iB Barokah Savings Plan	982,758,655	995,174,818	(12,416,163)	(1.25%)
iB Barokah Pension Savings	25,934,001	0	25,934,001	100.00%
Barokah Deposit	1,148,011,631,999	986,749,448,476	161,262,183,523	16.34%
Total	1,826,435,521,415	1,645,507,643,805	180,927,877,610	11.00%

Realization of funding in 2020 reached IDR1.83 trillion, an increase of IDR180.93 billion or 11.00% compared to 2019 which reached IDR1.65 trillion. While CASA funds increased by IDR19.67 billion or 2.90% compared to 2019 which reached IDR678.42 billion.

Based on the composition, the iB Amanah Umrah Savings experienced the largest increase, namely 63.31% or IDR1.50 million, while for other funding products that experienced an

increase, namely the Barokah Savings which increased by IDR19.82 million or 8.20%, the iB Haji Savings Amount of IDR7.19 million or 2.80%, Barokah Sejahtera Savings of IDR446 million or 6.07%, iB Savings of IDR5.39 million or 13.46%, Barokah Deposits of IDR161.26 million or 16.34%. Meanwhile, funding products that experienced a decline were Amanah Current Account of IDR14.70 million or 14.07%, iB Simpel Savings of IDR10.70 million or 0.20% and iB Barokah Plan Savings of IDR12.42 million or 1.25%.

Table of Funding Customers

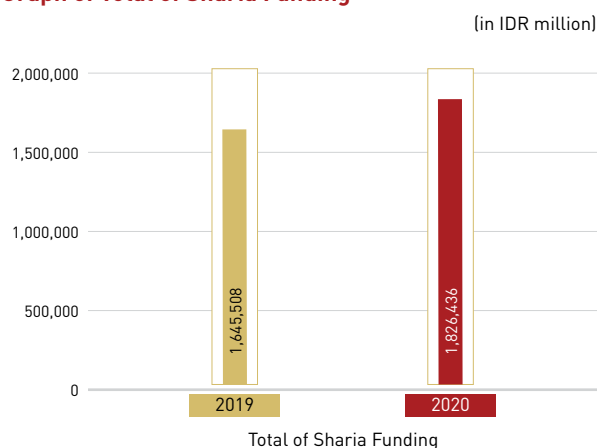
(in customer)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Giro Amanah	1,215	1,117	98	8.77%
Barokah Savings	38,218	33,907	4,311	12.71%
Haji iB Amanah Savings	121,462	115,881	5,581	4.82%
TabunganKu iB	31,858	29,893	1,965	6.57%
Simpel iB Savings	21,031	13,984	7,047	50.39%
Barokah Sejahtera Savings	36	58	(22)	(37.93%)
Umroh iB Amanah Savings	1,434	1,275	159	12.47%
iB Barokah Savings Plan	360	330	30	9.09%
iB Barokah Pension Savings	2	-	2	0.00%
Barokah Deposit	2,719	2,468	251	10.17%
Total	218,335	198,913	19,422	9.76%

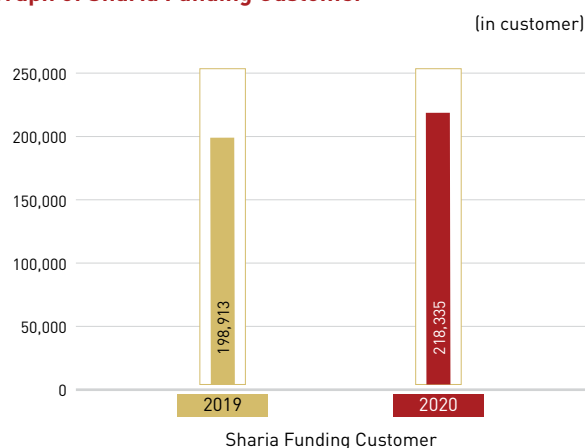
The growth in the number of funding was followed by an increase in the number of customers, where as of December 31, 2020, the number of funding customers of UUS Bank Jatim was recorded to have grown from 198,913 customers in 2019 to 218,335 customers in 2020, up by 19,422 customers or 9.76% compared to 2019.

The growth in the number of customers in 2020 was due to an increase in the number of Amanah current Account customers by 8.77%, Barokah Savings 12.71%, Haji Amanah Savings 4.82%, iB Savings 6.57%, iB Simpel Savings 50.39%, Umroh Savings iB Amanah 12.47%, iB Barokah Plan Savings 9.09% and Barokah Deposits 10.17%

Graph of Total of Sharia Funding



Graph of Sharia Funding Customer



Description of the performance of each funding product is presented as follows:

- Giro Amanah**
 Compared to 2019, Giro Amanah decreased by IDR14.70 billion or 14.07% from IDR104.44 billion to IDR89.75 billion in 2020. In terms of number of customers, it grew by 98 customers or 8.77% of 1,117 customers. to 1,215 customers in 2020.
- Barokah Savings**
 Compared to 2019, Barokah Savings experienced a growth of IDR19.82 billion or 8.20% from IDR241.67 billion to IDR261.50 billion in 2020. In terms of number of customers, it grew by 4,311 customers or 12.71% from 33,907 customers to 38,218 customers in 2020.
- Haji iB Amanah Savings**
 Compared to 2019, the Haji iB Amanah Savings experienced a growth of IDR7.187 million or 2.80% from IDR256.39 billion to IDR263.58 billion in 2020. In terms of number of customers, it grew by 5,581 customers or 4.82% from 115,881 customers. to 121,462 customers in 2020.
- Tabunganku iB**
 Compared to 2019, Tabunganku iB experienced a growth of IDR5.40 billion or 13.46% from IDR40.09 billion to IDR45.48 billion in 2020. In terms of number of customers, it grew by 1,965 customers or 6.57% of 29,893 customers to 31,858 customers in 2020.
- Simpel iB Savings**
 Compared to 2019, iB Simpel Savings has decreased by IDR10.70 million or 0.20% from IDR5.45 billion to IDR5.44 billion in 2020. In terms of number of customers, it grew by 7,047 customers or 50.39% from 13,984 customers to 21,031 customers in 2020.
- Barokah Sejahtera Savings**
 Compared to 2019, the Barokah Sejahtera Savings experienced a growth of IDR446.19 million or 6.07% from IDR7.34 billion to IDR7.79 billion in 2020. In terms of number of customers, it decreased by 22 customers or 37.93% from 58 to 36 customers. customers in 2020.
- Umroh iB Amanah Savings**
 Compared to 2019, iB Amanah Umroh Savings experienced a growth of IDR1.50 billion or 63.31% from IDR2.38 billion to IDR3.88 billion in 2020. In terms of the number of customers, it grew by 159 customers or 12.47% of the total number of customers. 1,275 customers to 1,434 customers in 2020.
- iB Barokah Savings Plan**
 Compared to 2019, the iB Barokah Plan Savings experienced a decrease of IDR12,416 million or 1.25% from IDR995.17 million to IDR982.76 million in 2020. In terms of number of customers, it grew by 30 customers or 9.09% of 330 customers. to 360 customers by 2020.

- **Tabungan Pensiun iB Barokah**

The iB Barokah Pension Savings was launched in 2020, with a nominal acquisition of IDR25.93 million with 2 customers.

- **Barokah Deposits**

Compared to 2019, Barokah Deposits experienced a growth of IDR161.262 million or 16.34% from IDR986.75 million to IDR1.15 trillion in 2020. In terms of number of customers, it grew by 251 customers or 10.17% of 2,468 customers. to 2,719 customers in 2020.

SHARIA FINANCING

Sharia Financing consisted of Consumer, Retail and Commercial Financing. Consumer Financing included iB Barokah Gold, KPR iB Griya Barokah, KPR Sejahtera, Multipurpose iB Barokah, Ownership of iB Barokah Gold Metal, Umroh iB Maqbulah, Talangan Haji Al Maburur. Retail Financing included Linkage Programs as well as Commercial Financing including General Financing and Working Capital Financing. Presidential Decree. Description of each Sharia Financing product is presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

Table of Number of Sharia Financing

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CONSUMER				
Mortgage	21,454	21,329	125	0.59%
House Ownership Credit (KPR)	612,137	467,074	145,063	31.06%
a. General KPR	307,836	328,947	(21,111)	(6.42%)
b. Housing Finance Liquidity Facility (FLPP)	304,302	138,126	166,176	120.31%
Employee Financing	151,712	136,871	14,841	10.84%
Multipurpose	68,413	64,194	4,219	6.57%
Gold Ownership (KLE)	0	0	0	0
Umroh Bailout Loan	54	239	(185)	(77.41%)
Haji Bailout Loan	135	135	0	0.00%
RETAIL				
Linkage	136,177	161,341	(25,164)	(15.60%)
a. Cooperative Financing (PKOP)/Cooperative Financing for Members (PKPA)	92,109	122,856	(30,747)	(25.03%)
b. Sharia Rural Bank (BPRS)	44,069	38,485	5,584	14.51%
Sub-Total Consumer	990,083	851,183	138,900	16.32%
COMMERCIAL				
General	574,568	501,263	73,305	14.62%
a. Investment	470,403	389,550	80,853	20.76%
b. Working Capital	101,164	108,746	(7,582)	(6.97%)
c. Factoring	3,000	2,967	33	1.11%
Keppres	42,709	49,355	(6,646)	(13.47%)
People's Business Credit (KUR)	0	32	(32)	(100.00%)
Sub-Total Medium Corporations	617,276	550,650	66,626	12.10%
Total	1,607,359	1,401,833	205,526	14.66%

The amount of realized financing in 2020 reached IDR1.61 trillion, an increase of IDR205.53 billion or 14.66% compared to 2019 amounting to IDR1.40 trillion consisting of iB Barokah Gold Pawn, KPR iB Griya Barokah, KPR Sejahtera, Multipurpose Sharia, Gold Metal Ownership (KLE), Bailout Haji Al Maburur, Umroh iB Maqbulah, Linkage Program Financing, General Financing, KEPPRES Financing, and Sharia Factoring. The increase was due to an increase in several financing schemes, including general investment financing of IDR80.85 billion or 20.76% and KPR Sejahtera financing of IDR166.18 billion or 120.31%.

The composition of Financing in 2020 was contributed the largest by KPR Financing of 38.08%, where in 2020 there is KPR Sejahtera (FLPP) which is still the main focus of disbursement of financing to MBR because UUS Bank Jatim participates in supporting Government programs in the distribution of housing finance subsidies, which in 2020 yielded a highly satisfying achievement. The increase in outstanding KPR Sejahtera (FLPP) obtained in 2020 was IDR166.18 billion with an increase of 120.31% from 2019, while the composition of KPR Sejahtera to total outstanding KPR was 49.71%. In addition, the second largest composition of financing is General Investment Financing (Syndicated Financing) of 20.76% with an increase in outstanding investment financing of IDR80.85 billion from 2019.

The growth in the number of financing was followed by an increase in the number of customers, where as of December 31, 2020, the number of Bank Jatim customers was 7,524 customers, an increase of 957 customers or 14.57% compared to 2019 of 6,567 customers. The increase in the number of customers in 2020 was due to the existence of KPR Sejahtera financing products of 1,346 customers, the rest was the addition of Sharia Multipurpose Financing and General Investment customers..

Table of Number of Sharia Financing Customers

(in customer)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CONSUMER				
Mortgage	1,214	1,282	(68)	(5.30%)
House Ownership Credit (KPR)	4,004	2,703	1,301	48.13%
General KPR	1,490	1,535	(45)	(2.93%)
Housing Finance Liquidity Facility (FLPP)	2,514	1,168	1,346	115.24%
Employee Financing	282	282	0	0.00%
Multipurpose	951	937	14	1.49%
Gold Ownership (KLE)	0	0	0	
Umroh Bailout Loan	3	11	(8)	(72.73%)
Hajj Bailout Loan	6	6	0	0.00%
RETAIL				
Linkage	489	703	(214)	(30.44%)
a. Cooperative Financing (PKOP)/Cooperative Financing for Members (PKPA)	477	691	(214)	(30.97%)
b. Sharia Rural Bank (BPRS)	12	12	0	0.00%
Sub-Total Consumer	6,949	5,926	1,023	17.26%
COMMERCIAL				
General	545	607	(62)	(10.21%)
a. Investment	182	178	4	2.25%
b. Working Capital	361	425	(64)	(15.06%)
Factoring	2	4	(2)	(50.00%)
Keppres	30	34	(4)	(11.76%)
People's Business Credit (KUR)	0	2	(2)	(100.00%)
Small Micro	0	0	0	
Sub-Total Medium Corporations	575	641	(66)	(10.30%)
Total	7,524	6,567	957	14.57%

The description of the performance of each sharia financing product is presented as follows:

1. Consumer Segment

a. Gold iB Barokah

During 2020, there was an increase in the distribution of financing through iB Barokah Gold reaching IDR125 million or 0.59% from IDR21.33 billion in 2019 to IDR21.45 billion in 2020. However, this increase was not accompanied by an increase in the amount customers, because the number of customers decreased by 68 customers or 5.30% to 1,214 customers in 2020.

b. KPR iB Griya Barokah

During 2020, it has recorded a decrease in KPR iB Griya Barokah of IDR21.11 billion or 6.42% from IDR328.95 billion in 2019 to IDR307.84 billion in 2020. This decrease was also accompanied by a decrease in the number of customers by 45 customers or 2.93% to 1,490 customers in 2020.

c. KPR Sejahtera

During 2020, KPR Sejahtera recorded a significant growth of IDR166.18 billion or 120.31% from IDR138.13 billion in 2019 to IDR304.30 billion in 2020. This growth was also accompanied by a growth in the number of customers of 1,346 customers or 115.24% to 2,514 customers in 2020.

d. Multipurpose iB Barokah

During 2020, UUS Bank Jatim has recorded an increase in the distribution of Sharia Multipurpose financing distribution reaching IDR19,06 billion or 17.42% from IDR201,07 billion in 2019 to IDR220,13 billion in 2020. This increase was also accompanied by an increase in the number of 14 customers or 1.15% from 1,219 customers to 1,233 customers in 2020.

e. Gold Ownership iB Barokah

During 2020, there will be no distribution of KLE iB Barokah products.

f. Umroh iB Maqbulah

During 2020, there was no distribution of iB Maqbulah Umrah products, it was noted that only funding in 2019 was IDR239 million to IDR54 million in 2020.

g. Talangan Haji Al Maburr

During 2020, there was no distribution of Talangan Haji Al Maburr products.

2. Retail segment**a. Linkage Program**

During 2020, Linkage Program Bank Jatim recorded a decrease in the distribution of financing with the Linkage Program pattern reaching IDR25.16 billion or 15.60% from IDR161.34 billion in 2019 to IDR136.18 billion in 2020. This decrease was also accompanied by a decrease in the number of customers by 214 customers or 30.44% from 703 customers to 489 customers in 2020.

3. 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 2020, UUS Bank Jatim has recorded a growth in general financing of IDR73.31 billion or 14.62% from IDR501.26 billion in 2019 to IDR574.57 billion in 2020. However, this growth was not accompanied by a growth in the number of customers, the number of general financing customers decreased by 62 customers or 0.90% to 545 customers in 2020.

b. KEPRED Working Capital Financing

During 2020, UUS Bank Jatim experienced a decline in the distribution of the Kepres Working Capital Financing to reach IDR6.65 billion or 13.47% from IDR49,36 billion in 2019 to IDR42,71 billion in 2020. This decrease was accompanied by a decrease in the amount customers, the number of customers for the Kepres Working Capital Financing has decreased by 4 customers or 11.76% to 30 customers in 2020.

OTHER SHARIA SERVICES**Treasury of Sharia**

The management of the Treasury Business Unit of the Bank Jatim Syariah Business Unit was quite active as a participant in the Sharia Money Market (PUAS) transaction as a means of short-term investment and to meet short-term funding sources. The instrument commonly traded on the Sharia Money Market was the Sharia Mudharabah Interbank Investment Certificate (SIMA) either through placement or borrowing. The Bank Jatim Sharia Business Unit also participated in Sharia Monetary Operations for liquidity management in the Sharia Money Market such as the Deposit Facility (FASBIS), as well as the fulfillment of reserve requirements required by the Central Bank and Sharia Open Market Operations (OPT) with Bank Indonesia Sukuk (SUKBI) products issued by Bank Indonesia based on the underlying and sharia principles of Bank Indonesia.

Bank Jatim Sharia Business Unit also had Securities from Capital Market trading in the form of State Sharia Securities (SBSN) consisting of Project Based Sukuk (PBS) and Retail Sukuk (SR). Other fixed income investments were in the form of Money Market Sharia Mutual Funds (RDSPU) and Limited Participation Sharia Mutual Funds (RDSPU).

Table of Other Sharia Services

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Bank Indonesia Syariah Deposit Facility (FASBIS)	378,400	243,000	135,400	35.78%
Interbank Deposits	17,000	-	17,000	100.00%
Bank Indonesia Sukuk (SukBI)	317,412	73,533	243,879	76.83%
Sharia Interbank Mudharabah Investment Certificate (SIMA)	315,000	200,000	115,000	36.51%
Money Market Funds (RDSPU)	200,000	200,000	-	0.00%

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Limited Participation Sharia Mutual Funds (RDSPT)	39,000	39,000	-	0.00%
State Sharia Securities (SBSN)	112,187	120,012	(7,825)	(6.97%)
Total	1,378,999	875,545	503,454	36.51%

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 2020, the UUS Bank Jatim Fasbis was recorded at IDR378.40 billion, an increase of IDR135.40 billion or 35.78% from December 2019.

Bank Indonesia Sukuk (SUKBI) was a Sharia Monetary Operation instrument that functioned as a contraction tool to absorb excess liquidity. This instrument had tenor options of 7 (seven) days, 14 (fourteen) days, 28 (twenty-eight) days, and 3 (three) months. During 2020, the Bank Jatim Sharia Business Unit was active in participating in the SUKBI auction and became an alternative placement to maintain short-term liquidity positions. In December 2020, the Bank Jatim Syariah Business Unit SUKBI was recorded at IDR317.41 billion, which was an increase of IDR243.88 billion compared to December 2019.

Sertifikat Investasi Mudharabah Antar Bank or Interbank Mudharabah Investment Certificate (SIMA) is a certificate issued by a sharia commercial bank or sharia business unit and used as a short-term investment facility in PUAS with Akad mudharabah. The position of the placement of SIMA for the Sharia Business Unit of Bank Jatim as of December 31, 2020 was IDR315.00 billion, an increase of IDR115.00 billion or 36.51% compared to December 2019, because the idle funds managed also experienced an increase.

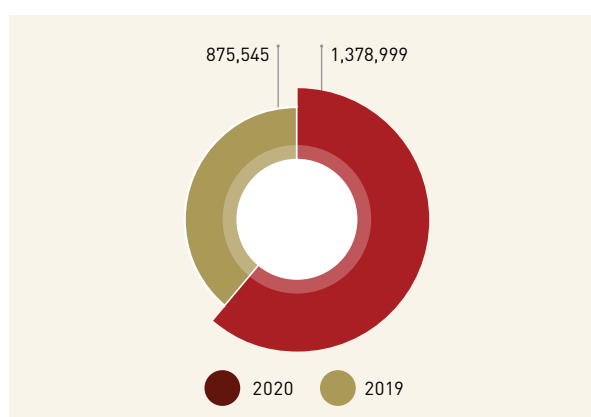
Money Market Sharia Mutual Fund Certificates (RDSPU) and Limited Participation Sharia Mutual Fund Certificates (RDSPT) owned by the Bank Jatim Sharia Business Unit in December 2020 reached a total of IDR239.00 billion. The nominal portfolio was the same as December 2019.

Surat Berharga Syariah Negara or State Sharia Securities (SBSN) are Securities issued by the Government as part of the participation in assets with sharia principles which are commonly traded in the capital market and money market. As of December 2020, the types of SBSN owned by the Bank Jatim Sharia Business Unit were Retail Sukuk with an ijarah agreement to be leased and a project based sukuk with an ijarah to be leased contract. Overall, the SBSN owned by the Bank Jatim Sharia Business Unit decreased by IDR7.83 billion or 6.97% from IDR120.01 billion in 2019 to IDR112,19 billion. The decrease was due to the amortization of premium and discount on securities.

Overall in December 2020, the assets under management of Bank Jatim's Sharia Business Unit reached IDR1.38 trillion, an increase of 36.51% from December 2019. Of these achievements, 89.04% were short-term placements, and only 10, 96% of placements were long term .

Diagram of Sharia Idle Treasury Managed Fund Portfolio

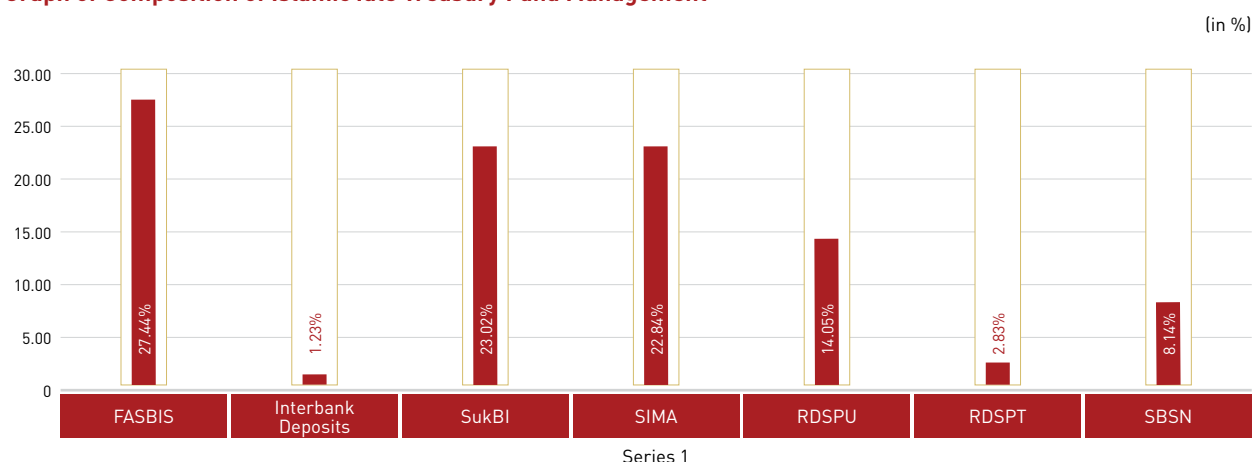
(in IDR Million)



The increase in treasury managed funds (YoY) for the Sharia Business Unit of Bank Jatim was due to in December 2020 Bank Jatim UUS issued SIMA Securities with an outstanding amount of IDR350.00 billion with a tenor of 10 (ten) days. Therefore, to maintain short-term liquidity risk, these funds were also placed in short-term investment instruments.

The 3 (three) largest compositions, namely 27.44% placement in FASBIS with a portfolio of IDR378.40 billion, 23.02% in investment in Bank Indonesia securities with a portfolio of IDR317.41 billion, and 22.84% in SIMA with a portfolio of IDR315.00 billion.

Graph of Composition of Islamic Idle Treasury Fund Management



2020 Sharia Segment Strategy

The funding and financing strategies for the sharia segment carried out in 2020 are presented as follows:

FUNDING STRATEGY

1. Increasing in TPF

- Recall dormant/inactive customers (time deposits, savings, current accounts).
Additional activity for marketing officers to contact customers who were no longer active in transactions but still had a balance was an attempt by Bank Jatim Syariah to increase the TPF balance. This was easier to do because dormant customers had previously known Bank Jatim Syariah so it was hoped that this activity could generate customer interest in using Bank Jatim Syariah products and services.
- Giving special souvenirs for opening Hajj initial deposits. The provision of special souvenirs in the form of prayer tools and others for customers who register for initial hajj deposits at both sharia and conventional branches is expected to increase NOA and TPF for Hajj savings.
- Siskohat service cooperation with Amitra. The cooperation between siskohat services and Amitra (a FIF subsidiary) is expected to increase NOA and TPF for hajj savings.

2. Increasing in Fee Based Income

- PLN and Telkom bill payment acceptance services through tellers.
 - Appeals to all Bank Jatim Syariah employees to pay electricity and telkom bills at Bank Jatim Syariah counters was an effort to increase feebase income in addition to promoting this service to customers and the general public.
 - The feebase income obtained from each PLN bill payment transaction was IDR3,000, while for telecom bill payments it was IDR2,500

- Kalisa Waqf Activities organized by the Indonesian Waqf Board (BWI).

Launching of the waqf kalisa movement held by BWI with Bank Jatim Syariah on July 8, 2020, where Bank Jatim Syariah will get a feebase income of 2.5% from the share of the results of the placement of BWI funds collected by Bank Jatim Syariah.

FINANCING STRATEGY

1. Consumptive Financing

- Focus on disbursement of iB Barokah KPR financing, both FLPP and general, with additional features for ASN with a period of 30 years.
The focus of the development of the KPR iB Barokah is with the addition of 900 FLPP housing units from the Ministry of Industry and with regular KPR intended for ASN millennial age (aged <30 years) for a financing period of 30 years until nearing retirement in order to have the desired house. At 1 (one) year before retirement, there is still outstanding balance that is adjusted to the projection of the ceiling of the customer receiving pre-retirement/pension financing.
- Product refinement for Regular KPR (margin tiering), pawn, pensioners and factoring.
 - For the convenience of customers taking financing with tiered margins (tiering) with a period of 15 years.
 - Barokah iB pawn, improvements to pawn operations to mitigate risks related to gold financing.
 - Pension multipurpose financing for ASN retirees, collaboration with Taspen for flagging financing taken before retirement.
 - Factoring financing, improvements to the bowheer analysis in the factoring analysis tool.

- c. Provision of personnel according to the requirements for the Gold iB Barokah (Pawn) Financing product
Lack of Pawn Taxation which will begin to fulfill SDI in 2020 with the following qualifications:

- Male
- Being Muslim
- Minimum S1 all majors
- Maximum age of 60 years old as retired pawnshop with the position of Branch Manager or has been an intermediate taxpayer
- Has a professional certificate as an intermediate taker
- Willing to be a contract employee for 2 years and can be extended 2x
- Physically and mentally healthy

- d. Home Ownership Financing Product (KPR iB Griya Barokah) with Pure Murabahah Agreement

In this case, the bank first controls the property assets to be managed, built and sold, which in the balance sheet is positioned as the bank's inventory. In sharia murabahah becomes more perfect because the object being traded has been controlled by the bank. Property prices under this business model are expected to be more competitive because the cost component consists of only the cost of goods plus the bank financing margin. The contract or agreement used is purely a sale and purchase or murabahah between the bank and the prospective customer (direct process) so it is hoped that this innovation can facilitate the KPR process for customers who want to own a house in a blessed way.

- e. Financing products for utifinance companies
Financing cooperation with Islamic multi-finance companies to be channeled back to customers using the linkage program model.
- f. Bailout Umrah and Halal Tourism for Civil Servants and Bank Jatim Employees.
To increase the outstanding umrah and halal tourism financing for ASN and Bank Jatim employees with an unsecured and insurance program as well as direct salary cuts for ASN whose payroll is at Bank Jatim and Bank Jatim Syariah
- g. Cooperation for Distribution of Financing with Technology-Based Financing Companies
Cooperation in financing distribution with marketplaces that have been registered and licensed by the OJK (amartha micro fintech, investree, etc.) as corporate investors.

2. Commercial Financing

- a. Focus on channeling financing to the education sector/pesantren, health, micro/small businesses, Baitul Maal wa Tamwil (BMT) and the Apex Sharia Rural Bank (BPRS). Financing for cooperatives using the Cooperative Financing (PKOP) scheme for working capital or investment and Working Capital Cooperative Financing (PKPA), investment financing in the health sector, micro and small businesses, BPRS linkage financing for members of Apex BPRS East Java.

- b. Participate in infrastructure financing.
Investment financing to various sectors that are in need, such as toll road construction, airport construction and school construction, and others.

- c. Collaboration with government agencies in accepted financing schemes (Housing Financing Liquidity Facility/FLPP, Secondary Mortgage Facility/SMF, Revolving Fund Management Institution/LPDB, Hajj Financial Management Agency/BPKH, and others)
Collaboration with PT Sarana Multigriya Finansial (SMF) as a joint source of funds for the Housing Financing Fund Management Center (PPDPP) for FLPP housing, cooperation in channeling LPDB funds for Kopontren, cooperation in channeling BPKH funds for financing to Islamic boarding schools.

- d. Supporting the One Pesantren One Product (OPOP) program in East Java Province
Providing assistance to Islamic boarding schools for products developed in the form of working capital financing for Islamic boarding school cooperatives and Islamic boarding school alumni.

2021 Sharia Segment Strategy

The funding and financing strategies for the sharia segment to be implemented in 2021 are presented as follows:

FUNDING STRATEGY

1. Increasing in TPF

- a. Recall Dormant/Inactive Customers (Time Deposits, Savings, Giro)
Additional activity for marketing officers to contact customers who are no longer active in transactions but still have a balance is an attempt by Bank Jatim Syariah to increase the DPK balance. This is easier to do because dormant customers have previously known Bank Jatim Syariah so it is hoped that this activity will generate interest in customers to use Islamic bank products and services.
- b. Provision of special souvenirs for opening Hajj deposits
The provision of special souvenirs in the form of prayer tools and others for customers who register for initial hajj deposits at both sharia and conventional branches is expected to increase NOA and DPK for Hajj savings.
- c. Collaboration of Social Services with Non-Bank Financial Institutions
The cooperation in siskohat services with one of the partners, namely Amitra (a FIF subsidiary), is expected to increase NOA and DPK for hajj savings.
- d. Launching of the Barokah Sejahtera Savings Program 5
The Barokah Sejahtera 5 savings program is a program that is expected to increase DPK customers, especially CASA where customers will be able to receive prizes directly by depositing their balance up to a certain period of time.

- e. Launching of the iB Barokah Waqf Application Version 2.0
The launch of the iB Barokah version 2.0 waqf application is expected to increase the opportunities for customers or prospective customers to transact waqf to the current account of the mind partner of mind jatim syariah.
- f. Collaboration on the Use of School Management Systems with PT TKI and PT MCP
The collaboration in using the school management system with PT TKI and PT MCP is expected to increase the opportunities for Bank Jatim Syariah in acquiring schools and campuses in terms of paying tuition fees or semesters. This can increase the growth of CASA, namely current accounts.

2. Increasing in Fee Based Income

- a. PLN and Telkom bill payment acceptance services through tellers.
 - Appeals to all Bank Jatim Syariah employees to pay electricity and telkom bills at Bank Jatim Syariah counters is an effort to increase feebase income in addition to promoting this service to customers and the general public.
 - The feebase income obtained from each PLN bill payment transaction is IDR3,000, while for telecom bill payments it is IDR2,500
- b. Virtual Account services integrated with the School Management System
The collaboration in using the school management system with PT TKI and PT MCP is expected to increase the opportunities for Islamic banks in East Java to acquire schools and campuses in terms of paying tuition fees or semesters. This can increase the growth of CASA, namely current accounts and increase the earning feebase income for transactions using virtual accounts.

FINANCING STRATEGY

1. Focus on distributing financing to the education sector/ pesantren, health, micro/small businesses, BMT and BPRS (Apex), financing for KPR iB Barokah both FLPP and commercial, as well as channeling financing to retirees.
2. Synergize with conventional Bank Jatim through the measurable implementation of the Dual Banking Leverage Model (DBLM) program with the following steps:
 - Dual banking application
 - KPI application to leveraged units (sharia service offices and related units in parent conventional commercial banks)
 - Sharia Campaign
3. Providing training on Sharia product knowledge to conventional employees as a step in implementing the Dual Banking Leverage Model (DBLM) program.
4. Synergizing with Conventional East Java Bank through multipurpose financing products, especially for retirees.
5. Strengthening the functions of the three pillars (business, risk and operational) in the distribution of financing including the discipline of monitoring watchlist customers.
6. Continuing to collaborate with Government agencies in accepted financing schemes (FLPP, SMF, and others).

Sharia Segment Income and Profitability

The operating income of the sharia segment in 2020 amounted to IDR196.13 billion, a decrease of 8.67% compared to the previous year which reached IDR214.75 billion.

The operating profit of the sharia segment in 2020 amounted to IDR11.20 billion, an increase of 311.91% compared to the previous year which reached IDR2.72 billion.

Table of Sharia Segment Income and Profitability

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Asset	3,069,058	2,386,133	682,925	28.62%
Liabilities	3,057,854	2,383,413	674,441	28.30%
Operating Income	196,129	214,746	(18,617)	(8.67%)
Operating Profit	11,204	2,720	8,484	311.91%

Geographic Segment

Apart from the operating segment, in carrying out its activities, Bank Jatim can be viewed from a geographical segment.

Geographic Segment Description

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 geographic segment of East Java has been presented in the explanation and productivity section of the conventional segment.

Geographic Segment Revenue and Profitability

Description regarding the revenue and profitability of the geographic segment is presented as follows.

Table of Geographic Segment Revenue and Profitability

(in IDR million)

Description	East Java	Java Apart from East Java	Elimination	Total
2020				
Asset	69,133,875	15,012,223	528,521	83,617,577
Liabilities	59,177,319	14,963,057	528,521	73,611,855
Operating income	3,889,878	584,377	-	4,474,255
Operational profit	1,465,960	49,167	-	1,515,127
2019				
Asset	70,886,010	6,328,728	499,448	76,715,290
Liabilities	61,720,356	6,308,730	499,448	67,529,638
Operating income	4,297,644	175,937	-	4,473,581
Operational profit	1,776,581	19,998	-	1,796,579
Growth 2019-2020				
Asset	(1,752,135)	8,683,495	29,073	6,902,287
Liabilities	(2,543,037)	8,654,327	29,073	6,082,217
Operating income	(407,766)	408,440	-	674
Operational profit	(310,621)	29,169	-	(281,452)

The operating income of the East Java geographical segment in 2020 reached IDR 3,889,878 million, a decrease of (IDR 407,766 million) compared to the previous year which reached IDR 4,297,644 million. The operating profit for the geographic segment of East Java in 2020 reached IDR 1,465,960 million, a decrease of IDR 310,621 million compared to the previous year which reached IDR 1,776,581 million. This decrease originated from the increase in CKPN Credit.

Meanwhile, the operating income for the Java geographical segment other than East Java in 2020 reached IDR 584,377 million, an increase of IDR 408,440 million compared to the previous year which reached IDR 175,937 million. The operating profit of the Java geographical segment other than East Java in 2020 reached IDR 49,167 million, an increase of IDR 29,169 million compared to the previous year which reached IDR 19,998 million. The increase was derived from Loan Interest Income.

— Financial Review

The financial review described below refers to the Financial Statements for the years ended December 31, 2020 and 2019 which are presented in this Annual Report. The Financial Statements have been audited by the Public Accountant Firm Aryanto, Amir Abadi Jusuf, Mawar & Partners and received an opinion presenting fairly, in all material respects, financial position of PT Bank Pembangunan Daerah Jawa Timur Tbk as of December 31, 2020 as well as financial performance and cash flows for the year ended on that date in accordance with Financial Accounting Standards in Indonesia.

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)

(in IDR million)

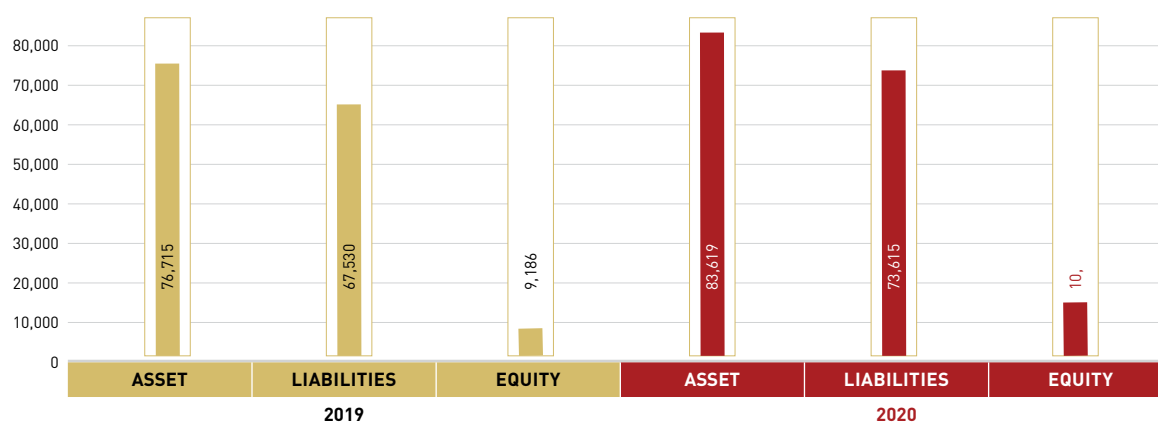
Description	2020	2019*)	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
ASSET				
Cash	2,511,548	2,729,776	[218,228]	[7.99%]
Current accounts with Bank Indonesia	3,659,968	5,734,527	[2,074,559]	[36.18%]
Current accounts with other banks	237,715	111,479	126,236	113.24%
Provision for impairment losses	[53]	[25]	[28]	112.00%
Current accounts with other banks, net	237,662	111,454	126,208	113.24%
Placements with Bank Indonesia and other banks	6,884,658	11,989,584	[5,104,926]	[42.58%]
Provision for impairment losses	[795]	[2,357]	1,562	[66.27%]
Placements with Bank Indonesia and other banks, net	6,883,863	11,987,227	[5,103,364]	[42.57%]
Securities	14,666,737	9,568,245	5,098,492	53.29%
Provision for impairment losses	[8,118]	[5,174]	[2,944]	56.90%
Marketable securities, net	14,658,619	9,563,071	5,095,548	53.28%
Securities sold under a repurchase agreement	-	1,038,432	[1,038,432]	[100.00%]
Securities purchased with a promise to resell (reverse repo)	12,573,044	5,837,520	6,735,524	115.38%
Credit given				
Related parties	285,595	320,896	[35,301]	[11.00%]
Third party	41,195,171	38,031,404	3,163,767	8.32%
Number of loans granted	41,480,766	38,352,300	3,128,466	8.16%
Provision for impairment losses	[1,454,721]	[980,134]	[474,587]	48.42%
Loans granted, net	40,026,045	37,372,166	2,653,879	7.10%
Interest income will still be received	555,020	416,420	13,860	33.28%
Prepaid expenses	227,932	285,522	[57,590]	[20.17%]
Fixed assets				
Acquisition cost	1,882,572	1,595,455	287,117	18.00%
Accumulated depreciation	[676,592]	[572,026]	[104,566]	18.28%
Net book value	1,205,980	1,023,429	182,551	17.84%
Deferred tax asset, net	591,676	522,638	69,038	13.21%
Tax receivable	65	-	65	100.00%

Description	2020	2019*)	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Other bills	131,932	81,265	50,667	62.35%
Other assets, net	356,098	52,866	303,232	573.59%
TOTAL ASSETS	83,619,452	76,756,313	6,863,139	8.94%
LIABILITY AND EQUITY				
LIABILITIES				
Liability immediately	484,834	357,565	127,269	35.59%
Deposits from customers				
Related parties	14,375,132	14,940,917	(565,785)	(3.79%)
Third party	54,093,148	45,604,955	8,488,193	18.61%
Total deposits from customers	68,468,280	60,545,872	7,922,408	13.08%
Deposits from other banks				
Related parties	238,860	137,819	(113,933)	(82.67%)
Third party	2,616,744	2,750,611	(133,867)	(4.87%)
Amount of deposits from other banks	2,855,604	2,888,430	(32,826)	(1.14%)
Securities liabilities sold under repurchase agreements	-	1,037,094	-	(100.00%)
Loans received	631,355	1,870,246	(1,238,891)	(66.24%)
Tax debt	93,135	63,766	29,369	46.06%
Accrued expenses	484,666	433,507	51,159	11.80%
Other liabilities	596,630	333,158	58,355	10.84%
TOTAL LIABILITIES	73,614,504	67,529,638	5,879,749	8.68%
EQUITY				
Capital stock:				
Series A: nominal value of IDR250 (full amount) per share				
Series B: nominal value of IDR250 (full amount) per share				
Authorized capital:				
Series A: 24,000,000,000 shares				
Series B: 12,000,000,000 shares				
Issued and fully deposited capital:				
Series A - 11,934,147,982 shares				
Series B - 3,068,222,600 shares (2019: 3,068,222,600 shares)	3,753,875	3,750,593	3,282	0.09%
Additional paid-in capital - net	532,734	528,753	3,981	0.75%
Fixed asset revaluation surplus	754,382	748,183	6,199	0.83%
Loss of remeasurement of defined benefit plans - after tax	(197,081)	(111,967)	78,980	(28.61%)
Unrealized gain on marketable securities - available for sale - after deferred tax	125,753	20	125,733	628.665,00%
Retain earning				
General backup	3,546,323	2,893,565	652,758	22.56%
Unappropriated	1,488,962	1,376,505	112,457	8.17%
TOTAL EQUITY	10,004,948	9,185,652	983,390	10.90%
TOTAL LIABILITIES AND EQUITY	83,619,452	76,715,290	6,863,139	8.94%

*) Restated

Graph of Financial Position Report

(in IDR billion)



Asset

For the financial year ended 31 December 2020, the total assets of Bank Jatim amounted to IDR 83,619,452 million, an increase of 8.94% from last year's IDR 76,756,313 million. The increase in these assets was influenced by the increase in Securities.

Table of Asset

(in IDR million)

Description (1)	2020 (2)	2019*) (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Cash	2,511,548	2,729,776	(218,228)	(7.99%)
Current accounts with Bank Indonesia	3,659,968	5,734,527	(2,074,559)	(36.18%)
Current accounts with other banks	237,715	111,479	126,236	113.24%
Provision for impairment losses	(53)	(25)	(28)	112.00%
Current accounts with other banks, net	237,662	111,454	126,208	113.24%
Placements with Bank Indonesia and other banks	6,884,658	11,989,584	(5,104,926)	(42.58%)
Provision for impairment losses	(795)	(2,357)	1,562	(66.27%)
Placements with Bank Indonesia and other banks, net	6,883,863	11,987,227	(5,103,364)	(42.57%)
Securities	14,666,737	9,568,245	5,098,492	53.29%
Provision for impairment losses	(8,118)	(5,174)	(2,944)	56.90%
Marketable securities, net	14,658,619	9,563,071	5,095,548	53.28%
Securities sold under a repurchase agreement	-	1,038,432	(1,038,432)	(100.00%)
Securities purchased with a promise to resell (reverse repo)	12,573,044	5,837,520	6,735,524	115.38%
Other bills	131,932	81,265	50,667	62.35%
Loans				
Related parties	285,595	320,896	(35,301)	(11.00%)
Third party	41,195,171	38,031,404	3,163,767	8.32%
Number of credits granted	41,480,766	38,352,300	3,128,466	8.16%
Provision for impairment losses	(1,454,721)	(980,134)	(474,587)	48.42%
Loans granted, net	40,026,045	37,372,166	2,653,879	7.10%
Interest income will still be received	555,020	416,420	13,860	33.28%
Prepaid expenses	227,932	285,522	(57,590)	(20.17%)
Fixed assets				
Acquisition cost	1,882,572	1,595,455	287,117	18.00%
Accumulated depreciation	(676,592)	(572,026)	(104,566)	18.28%
Net book value	1,205,980	1,023,429	182,551	17.84%

Description	2020	2019*)	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Deferred tax asset, net	591,676	481,615	69,038	13.21%
Other assets, net	356,098	52,866	303,232	573.59%
TOTAL ASSET	83,619,452	76,715,290	6,863,139	8.94%

*) Restated

Cash

Cash recorded in 2020 reached IDR2,511,548 million, a decrease of 7.99% compared to the previous year which reached IDR2,729,776 million. The decrease came from the amount of cash denominated in rupiah, which decreased significantly and this decrease was caused by a decrease in cash withdrawals from cash in cash.

Table of Cash

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	2,460,657	2,690,546	(229,889)	(8.54%)
Foreign currency	50,891	39,230	11,661	29.72%
Total Cash	2,511,548	2,729,776	(218,228)	(7.99%)

Current Accounts with Bank Indonesia

Current accounts with Bank Indonesia in 2020 reached IDR3,659,968 million, a decrease of 36.18% compared to the previous year which reached IDR5,734,527 million. This decrease came from the decline in the amount of current accounts at Bank Indonesia in Indonesia in the rupiah sector.

Table of Current Accounts with Bank Indonesia

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	3,651,539	5,726,197	(2,074,659)	(36.23%)
United States Dollar	8,430	8,330	100	1.20%
Total of Current Accounts with Bank Indonesia	3,659,968	5,734,527	(2,074,559)	(36.18%)

Current Accounts with Other Banks, Net

Current accounts with other banks in 2020 reached IDR237,662 million, an increase of 113.24% compared to the previous year which reached IDR111,454 million. The increase came from an increase in the amount of current accounts at other banks.

Table of Current Accounts with Other Banks – Net

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	160,654	41,699	118,955	285.27%
Foreign currency	77,061	69,780	7,281	10.43%
Total	237,715	111,479	126,236	113.24%
Provision for impairment losses	(53)	(25)	(28)	112.00%
Net	237,662	111,454	126,208	113.24%

Placement with Bank Indonesia and Other Banks, Net

Placements with other banks and Bank Indonesia in 2020 reached IDR6,883,863 million, decreased by 42.57% compared to the previous year which reached IDR11,987,227 million. This decrease was due to a decrease in placements with Bank Indonesia and other banks in the types of Interbank call money and time deposits.

Table of Placement with Bank Indonesia and Other Banks, Net

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah				
Placements with Bank Indonesia	4,528,158	3,642,584	885,574	24.31%
Interbank call money	1,036,000	6,025,000	(4,989,000)	(82.80%)
Time Deposit	1,320,500	2,322,000	(1,001,500)	(43.13%)
Total	6,884,658	11,989,584	(5,104,926)	(42.58%)
Provision for impairment losses	(795)	(2,357)	1,562	(66.27%)
Net	6,883,863	11,987,227	(5,103,364)	(42.57%)

Securities, Net

The securities owned by the Company in 2020 reached IDR14,658,619 million, an increase of 53.28% compared to the previous year which reached IDR9,563,071 million. This increase was due to the purchase of Securities for less than 1 year.

Table of Securities Based on Term and Interest Rate

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Less than 1 year	10,264,875	3,860,083	6,404,792	165.92%
1 - 5 Year	4,401,862	5,708,162	(1,306,300)	(22.88%)
Less: Allowance for impairment losses	(8,118)	(5,174)	(2,944)	56.90%
Total Securities	14,658,619	9,563,071	5,095,548	53.28%

Securities Sold Under Repurchase Agreement Based On Net Value

Securities Sold With a Repurchase Agreement Based on the Net Value owned by the Company in 2020 amounted to IDR0 million, a decrease of 100% compared to the previous year which reached IDR1,038,432 million. This decrease was caused by the Buyback of Securities.

Table of Securities Purchased Under Agreement To Repurchase Based on Net Value

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Bank Indonesia Certificate				
IDBI170120364S	-	423,766	(423,766)	(100.00%)
IDBI200320364S	-	295,858	(295,858)	(100.00%)
IDBI200320364S	-	201,749	(201,749)	(100.00%)
IDBI170120364S	-	117,059	(117,059)	(100.00%)
Total	-	1,038,432	(1,038,432)	(100.00%)

Securities Sold with a Repurchase Agreement (Reverse Repo)

Securities Sold With a Repurchase Agreement Based on the Net Value owned by the Company in 2020 amounted to IDR12,573,044 million, an increase of 115.38% compared to the previous year which reached IDR5,837,520 million. This increase was due to the purchase of Sovereign Debt Instruments.

Table of Securities Purchased With A Reverse Repo Based on Net Value

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Government Debt Securities				
FR0070	-	1,329,397	(1,329,397)	(100.00%)
FR0078	-	879,837	(879,837)	(100.00%)
FR0061	-	831,863	(831,863)	(100.00%)
FR0061	-	829,984	(829,984)	(100.00%)
FR0059	-	762,688	(762,688)	(100.00%)
SPN12200213	-	755,554	(755,554)	(100.00%)
FR0063	-	234,021	(234,021)	(100.00%)
FR0077	-	102,407	(102,407)	(100.00%)
FR0057	-	58,626	(58,626)	(100.00%)
FR0079	-	53,143	(53,143)	(100.00%)
FR0080	176,750	-	176,750	100.00%
FR0082	244,516	-	244,516	100.00%
VR0035	477,715	-	477,715	100.00%
FR0081	3,841,194	-	3,841,194	100.00%
FR0056	3,261,376	-	3,261,376	100.00%
FR0043	175,665	-	175,665	100.00%
FR0044	300,643	-	300,643	100.00%
VR0043	4,095,185	-	4,095,185	100.00%
Total	12,573,044	5,837,520	6,735,524	115.38%

Other Receivables

Other bills in 2020 reached IDR131,932 million, an increase of 62.35% compared to the previous year which reached IDR81,265 million. This increase was caused by transfer and ATM bills.

Table of Other Receivables

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Transfer and ATM bills	119,779	31,920	87,859	275.25%
Others	12,153	49,345	(37,192)	(75.37%)
Total Other Receivables, Net	131,932	81,265	50,667	62.35%

Loans, Net

Loans provided in 2020 reached IDR40,026,045 million, an increase of 7.10% compared to the previous year which reached IDR37,372,166 million. This increase was dominated by the increase in third party credit.

Table of Loans, Net

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Credit Given				
Related Parties	285,595	320,896	(35,301)	(11.00%)
Third-Party	41,195,171	38,031,404	3,163,767	8.32%
Total Credit Given	41,480,766	38,352,300	3,128,466	8.16%
Provision for impairment losses	(1,454,721)	(980,134)	(474,587)	48.42%
Loans, net	40,026,045	37,372,166	2,653,879	7.10%

Interest Income Will Still Be Received

Interest income that will still be received in 2020 reached IDR555,020 million, an increase of 33.28% compared to the previous year which reached IDR416,420 million. This increase came from Interest Income that would still be received from loans.

Table of Interest Income Will Still Be Received

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah:				
Credit given	380,365	331,565	48,800	14.72%
Others	174,645	84,845	89,800	105.84%
Foreign Currency:				
Others	-	-	-	-
United States Dollar	10	10	-	0.00%
Total Interest Income Will Still Be Received	555,020	416,420	138,600	33.28%

Prepaid Expenses

Prepaid Expenses in 2020 reached IDR227,932 million, a decrease of 20.17% compared to the previous year which reached IDR285,522 million. The decrease came from old age benefits insurance and prepaid rent.

Table of Prepaid Expenses

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Old-age benefits insurance	119,556	126,252	(6,696)	(5.30%)
Prepaid lease	22,962	84,732	(61,770)	(72.90%)
Other insurance	2,305	2,317	(12)	(0.52%)
Others	83,109	72,221	10,888	15.08%
Total Prepaid Expenses	227,932	285,522	(57,590)	(20.17%)

Fixed Assets

Fixed assets in 2020 has reached IDR1,205,980 million, an increase of 17.84% compared to 2019 which amounted to IDR1,023,429 million. This increase was mainly derived from the increase in the cost of acquiring rights to use assets.

Table of Fixed Assets

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Acquisition cost				
Land	861,658	855,737	5,921	0.69%
Building	203,052	202,822	230	0.11%
Office inventory	515,595	483,554	32,041	6.63%
Vehicle	46,573	51,911	(5,338)	(10.28%)
	1,626,878	1,594,024	32,854	2.06%
Construction in progress				
Building	176	1,431	(1,255)	(87.70%)
Use Rights Assets	255,518	-	255,518	100.00%
Total Acquisition Cost	1,882,572	1,595,455	287,117	18.00%
Accumulated depreciation				
Building	(97,695)	(88,387)	(9,308)	10.53%
Office Inventory	(463,680)	(435,457)	(28,223)	6.48%
Vehicle	(45,305)	(48,182)	2,877	(5.97%)
Use Rights Assets	(69,912)	-	(69,912)	(100.00%)
Total accumulated depreciation	(676,592)	(572,026)	(104,566)	18.28%
Net book value	1,205,980	1,023,429	182,551	17.84%

Deferred Tax Assets, Net

Deferred tax assets in 2020 amounted to IDR591,676 million, an increase of 13.21% compared to 2019 which amounted to IDR522,638 million. The increase was derived from an allowance for possible losses on earning assets.

Table of Deferred Tax Assets

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Production service reserves	70,837	68,825	2,012	2.92%
Allowance for losses on earning assets	475,586	369,166	106,421	28.83%
Unrealized gain on marketable securities - available for sale	(29,498)	(5)	(29,493)	589.860%
Leased Assets for Business PSAK 73	977	-	977	100.00%
Reserve for General Expenses	6,698	-	6,698	100.00%
Reserve for employee benefits	67,076	84,652	(17,576)	(20.76%)
Deferred Tax Assets	591,676	522,638	69,038	13.21%

Other Assets, Net

Other assets - net in 2020 amounted to IDR356,098 million, an increase of 573.58% compared to 2019 which amounted to IDR52,866 million. This increase came from growth in other assets.

Table of Other Assets, Net

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Overpayment tax assessment letter	283,450	-	283,450	100.00%
Deferred expenses	39,114	22,634	16,480	72.81%
Office stationery and printed supplies	21,536	22,040	(504)	(2.29%)
Others	11,998	8,192	3,806	46.46%
Total Other Assets, net	356,098	52,866	303,232	573.59%

Liabilities

Liabilities in 2020 amounted to IDR73,614,504 million, an increase of 8.68% compared to 2019 which reached IDR67,734,755 million. The increase came from deposits from third party customers.

Table of Liabilities

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Liability immediately	484,384	357,565	127,269	35.59%
Deposits from Customers				
Related parties	14,375,132	14,940,917	(565,785)	(3.79%)
Third-party	54,093,148	45,604,955	8,488,193	18.61%
Total Deposits from Customers	68,468,280	60,545,872	7,922,408	13.08%
Deposits from other banks				
Related parties	238,860	137,819	101,041	73.31%
Third-party	2,616,744	2,750,611	(133,867)	(4.87%)
Total Deposits from other banks	2,855,604	2,888,430	(32,826)	(1.14%)
Securities liabilities sold under repurchase agreements	-	1,037,094	(1,037,094)	(100.00%)
Loans received	631,355	1,870,246	(1,238,891)	(66.24%)
Tax debt	93,135	63,766	29,369	46.06%
Accrued expenses	484,666	433,507	51,159	11.80%
Other Liabilities	596,630	538,275	58,355	10.84%
Total Liabilities	73,614,504	67,529,638	5,879,749	8.68%

Immediate Liabilities

Immediate liabilities in 2020 reached IDR484,834 million, an increase of 35.59% compared to 2019 which reach IDR357,565 million. This increase was mainly derived from the growth in expenses already paid.

Table of Immediate Liabilities

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Transfer, collection and clearing	192,669	156,229	36,440	23.32%
Expenses already effective must be paid	71,014	50,671	20,343	40.15%
Receipt of funds to be taken into account	77,612	88,770	(11,158)	(12.57%)
Others	143,539	61,895	81,644	131.91%
Immediate Liabilities	484,834	357,565	127,269	35.59%

Deposits From Customer

Deposits from customers in 2020 reached IDR68,468,280 million, an increase of 13.08% compared to 2019 which reach IDR60,545,872 million. This increase was mainly derived from the growth in customer deposits from third-party.

Table of Deposits from Customers

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2) - (3)	(5) = (4) / (3)
Related Parties	14,375,132	14,940,917	(565,785)	(3.79%)
Third-Party	54,093,148	45,604,955	8,488,193	18.61%
Total Deposits from Customer	68,468,280	60,545,872	7,922,408	13.08%

Deposits from Other Banks

Deposits from other banks in 2020 reached IDR2,855,604 million, a decrease of 1.14% compared to 2019 which reach IDR2,888,430 million. The decrease came from deposits from other third party banks.

Table of Deposits from Other Banks

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2) - (3)	(5) = (4) / (3)
Related Parties	238,860	137,819	101,041	73.31%
Third-Party	2,616,744	2,750,611	(133,867)	(4.87%)
Total Deposits from Other Banks	2,855,604	2,888,430	(32,826)	(1.14%)

Securities Liabilities Sold Under Repurchase Agreements

Securities liabilities sold under repurchase agreements based on net value in 2020 reach IDR0, a decrease of 100.00% compared to 2019 which reach IDR 1,037,094 million. The decrease stems from the absence of securities liabilities that were sold under repurchase agreements in 2020.

Table of Securities Liabilities Sold Under Repurchase Agreements Based on Net Value

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2) - (3)	(5) = (4) / (3)
Bank Indonesia Certificate				
IDBI 170120364S	-	423,275	423,275	(100.00%)
IDBI 170120364S	-	116,928	116,928	(100.00%)
IDBI 200320364S	-	201,456	201,456	(100.00%)
IDBI 200320364S	-	295,435	295,435	(100.00%)
Securities Liabilities Sold with A Buy-Back Promise	-	1,037,094	1,037,094	(100.00%)

Loans Received

Loans received in 2020 reach IDR631,355 million, a decrease of 66.24% compared to 2019 which reach IDR1,870,246 million. This decrease mainly comes from a decrease in loans received from Bank DKI.

Table of Loans Received

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Bank DKI	-	1,300,000	(1,300,000)	(100.00%)
Revolving Fund Management Institution and Micro, Small and Medium Enterprises	209,314	343,247	(133,933)	(39.02%)
Ministry of Public Housing of the Republic of Indonesia	354,136	226,999	127,137	56.01%
East Java Provincial Government	2,010	-	2,010	100.00%
PT Sarana Multigriya Financial	65,895	-	-	-
Total Loans Received	631,355	1,870,246	(1,238,891)	(66.24%)

Tax Payable

Taxes payable in 2020 reach IDR93,135 million, an increase of 46.06% compared to 2019 which reach IDR63,766 million. The increase came from the increase in income tax payable article 29.

Table of Tax Payable

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Income tax article 21	20,274	30,643	(10,369)	(33.84%)
Income tax article 29	57,631	14,461	43,170	298.53%
Income tax article 23/4	14,924	13,343	1,581	11.85%
Others	302	5,319	(5,017)	(94.32%)
Tax Debt	93,135	63,766	29,369	46.06%

Accrued Expenses

Accrued expenses in 2020 reach IDR484,666 million, an increase of 11.80% compared to 2019 which reach IDR 433,507 million. The increase was derived from the increasing amount of accrued expenses in the reserve for production services and interest.

Table of Accrued Expenses

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Production service reserves	372,823	344,126	28,697	8.34%
Interest	111,843	89,381	22,462	25.13%
Total Accrued Expenses	484,666	433,507	51,159	11.80%

Other Liabilities

Other liabilities in 2020 reach IDR596,628 million, an increase of 10.84% compared to 2019 which reach IDR 538,275 million. The increase was derived from credit provision and administration and others.

Table of Other Liabilities Equivalent to Rupiah

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah				
Reserve for employee benefits	353,033	423,263	(70,230)	(16.59%)
Guarantee deposit	62,029	90,872	(28,843)	(31.74%)
Principal of forwarding credits received	9,903	10,025	(122)	(1.22%)
Interest on forwarding loans received	3,427	3,257	170	5.22%
Estimated losses on commitments and contingencies	4,280	4,611	(331)	(7.18%)
Credit provision and administration	6,565	2,698	3,867	143.33%
Lease liabilities	113,642	-	113,642	100.00%
Others	43,730	938	42,794	4,562.26%
	596,609	535,664	60,947	11.38%
Foreign Currency:				
Guarantee deposit				
United States Dollar	-	1,748	(1,748)	(100.00%)
Others				
United States Dollar	-	650	(650)	(100.00%)
Singapore Dollar	-	213	(213)	(100.00%)
Hong Kong Dollar	19	-	19	100.00%
	19	2,611	(2,592)	(99.27%)
Total Other Liabilities	596,630	538,275	58,355	10.84%

Equity

Equity in 2020 reach IDR10,004,950 million, an increase of 10.90% compared to 2019 which reach IDR 9,012,558 million. This increase was mainly derived from growth in general reserves.

Table of Equity

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Capital stock:				
Series A: nominal value of IDR250 (full amount) per share				
Series B: nominal value of IDR250 (full amount) per share				
Authorized capital:				
Series A: 24,000,000,000 shares				
Series B: 12,000,000,000 shares				
Issued and fully deposited capital:				
Series A - 11,934,147,982 shares				
Series B - 3,068,222,600 shares (2019: 3,068,222,600 shares)	3,753,875	3,750,593	3,282	0.09%
Additional paid-in capital - net	532,734	528,753	3,981	0.75%
Fixed asset revaluation surplus	754,832	748,183	6,199	0.83%
Loss of remeasurement of defined benefit plans - after tax	(197,081)	(276,061)	78,980	(28.61%)
Unrealized gain on marketable securities - available for sale - after deferred tax	125,753	20	125,733	628,665.00%

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Retain earning				
General backup	3,546,323	2,893,565	652,758	22.56%
Unappropriated	1,488,962	1,376,505	112,457	8.17%
TOTAL EQUITY	10,004,948	9,021,558	983.390	10.90%

Issued and Fully Deposited Capital

Issued and fully deposited capital in 2020 reach IDR3,753,875 million, an increase of 0.09% compared to 2019 which reach IDR3,750,593 million. The increase came from the increase in Series B shares.

Fixed Asset Revaluation Surplus

The fixed asset revaluation surplus in 2020 reach IDR754,832 million, an increase of 0.83% compared to 2019 which reach IDR748,183 million. The increase stems from this increase in the revaluation of fixed assets.

Definitive Benefits Review Program Losses - After Deferred Taxes

Loss of re-measurement of defined benefit plan - after deferred tax in 2020 amounted to (IDR197,081) million, decreased by 28.61% compared to 2019 which reach (IDR276,061) million. The decrease originated from the updating of actuary calculations.

Unrealized Profits In Securities - Available For Sale - After Deferred Taxes

Unrealized profit on marketable securities - available for sale - after deferred tax in 2020 amounting to IDR125,753 million, an increase of 628,665.00% compared to 2019 which amounted to IDR20 million. This increase came from an increase in deferred tax.

Additional Paid In Capital, Net

Additional paid-in capital, net in 2020 amounted to IDR532,734 million, an increase of 0.75% compared to 2019 which amounted to IDR528,753 million. This increase was mainly derived from growth in stock options for the Management and Employee Stock Option Plan (MESOP) program.

Table of Additional Paid-In Capital, Neto

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Share premium from the Initial Public Offering (IPO)	509,369	509,368	1	0.00%
Stock options for the Management and Employee Stock Option Plan (MESOP) program	23,365	19,385	3,980	20.53%
Total	532,734	528,753	3,981	0.75%

Retained Earning

Retained Earning in 2020 reach IDR1,488,962 million, an increase of 8.17% compared to 2019 which amounted to IDR1,376,505 million. This increase was derived from loan interest income.

Table of Retained Earning

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Its use has not been determined	1,488,962	1,376,505	112,457	8.17%
Retained Earning	1,488,962	1,376,505	112,457	8.17%

Report On Profit and Loss and Other Comprehensive Income

Table of Profit and Loss and Other comprehensive Income Report

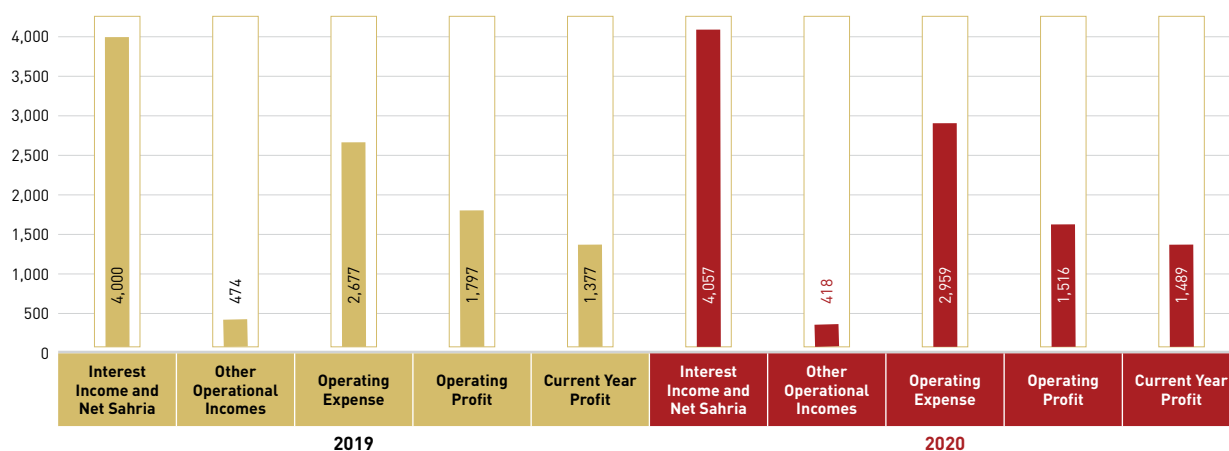
(in IDR million)

Description	2020	2019*)	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
INTEREST AND SHARIA INCOME	6,088,742	5,839,016	249,726	4.28%
INTEREST AND SHARIA EXPENSES	(2,031,472)	(1,839,415)	(192,057)	10.44%
INTEREST AND SHARIA INCOME, NET	4,057,270	3,999,601	57,669	1.44%
OTHER OPERATIONAL INCOME				
Current, savings and time deposit administration	162,607	155,360	7,247	4.66%
Loan administration	41,357	45,993	(4,636)	(10.08%)
Receipt of write-off credits	55,055	77,973	(22,918)	(29.39%)
Fees and commissions other than credit given	5,613	14,795	(9,182)	(62.06%)
Others	153,239	179,859	(26,620)	(14.80%)
TOTAL OTHER OPERATIONAL INCOME	417,817	473,980	(56,163)	(11.85%)
OPERATIONAL EXPENSES				
Labor and employee benefits	(1,544,532)	(1,459,394)	(85,138)	5.83%
General and administration	(684,216)	(683,957)	(259)	0.04%
Allowance for impairment losses on financial assets	(567,751)	(370,265)	(197,486)	53.34%
Other expenses	(162,365)	(163,386)	1,021	(0.62%)
Total operating expenses	(2,958,864)	(2,677,002)	(281,862)	10.53%
OPERATIONAL PROFIT	1,516,227	1,796,579	(280,302)	(15.60%)
NON-OPERATIONAL REVENUE (EXPENSE)				
Tax service fee	10,063	12,796	(2,733)	(21.36%)
Gain on sale of fixed assets	2,670	393	2,277	579.39%
Foreign exchange gain	2,255	2,440	(185)	(7.58%)
Non-operating expenses	(40,586)	(6,565)	(34,021)	518.22%
Others	16,688	58,490	(41,802)	(71.47%)
Non-operating income, net	(8,910)	67,554	(76,464)	(113.19%)
INCOME BEFORE TAX EXPENSES	1,507,367	1,864,133	(356,766)	(19.14%)
TAX EXPENSES - NET	(18,405)	(487,628)	469,223	(96.23%)
CURRENT YEAR PROFIT	1,488,962	1,376,505	112,457	8.17%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Fixed asset revaluation surplus	6,199	74,239	(68,040)	(91.65%)
Remeasurement of defined benefit plans	100,536	(289,357)	(389,893)	(134.74%)
Income tax related	(21,556)	57,871	(79,427)	(137.25%)
	85,179	(157,247)	242,426	(154.17%)
Items that will be reclassified to profit or loss:				
Unrealized gain on marketable securities - available for sale	155,226	25	155,201	620,804.00%
Income tax related	(29,493)	(5)	(29,488)	589,760.00%
	125,733	20	125,713	628,565.00%
OTHER COMPREHENSIVE INCOME NET AFTER TAX	210,912	(157,227)	368,139	(234.14%)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,699,874	1,219,278	480,596	39.42%
BASIC INCOME PER SHARE (IN FULL VALUE)	99.16	91.80	7.36	8.02%

*) Restated

Graph of Report on Profit and Loss and Other Comprehensive Income

(in IDR billion)



Interest Income and Sharia

Interest income and Sharia is obtained from loans, margin and profit sharing, placements with Bank Indonesia and other banks, Bank Indonesia certificates, securities held to maturity, fair value securities through profit or loss, securities purchased under agreement to sell, returns, provisions, and others.

Interest income and sharia in 2020 amounted to IDR6,088,742 million, an increase of 4.28% compared to 2019 which amounted to IDR5,839,016 million. This increase was mainly due to an increase in interest income from loans.

Table of Interest Income and Sharia

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Related parties				
Loans	39,988	16,876	23,112	136.95%
Margin and revenue sharing	2,930	750	2,180	290.67%
Third party				
Loans	4,302,894	4,098,302	204,592	4.99%
Placements with Bank Indonesia and other banks	544,780	741,114	(196,334)	(26.49%)
Securities				
Amortized cost	958,361	741,153	217,208	29.31%
Margin and revenue sharing	126,406	135,234	(8,828)	(6.53%)
Provision	75,787	71,929	3,858	5.36%
Bank Indonesia Certificate	31,278	24,288	6,990	28.78%
Others	6,318	9,370	(3,052)	(32.57%)
Total interest income and sharia	6,088,742	5,839,016	249,726	4.28%

Interest Expenses and Sharia

Interest and sharia expenses in 2020 reach IDR2,031,472 million, an increase of 10.44% compared to 2019 which reach IDR1,839,415 million. The increase came from time deposits.

Table of Interest Expenses and Sharia

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Time deposit	1,330,649	1,135,911	194,738	17.14%
Savings	302,491	280,130	22,361	7.98%
Current account	222,465	248,577	(26,112)	(10.50%)
Government guarantee premium	133,284	114,186	19,098	16.73%
Loans received	30,450	40,595	(10,145)	(24.99%)
Mudharabah profit sharing	4,659	17,354	(12,695)	(73.15%)
Other insurance premiums	7,137	2,662	4,475	168.11%
Credit interest expense	216	-	216	100.00%
Securities premium	121	-	121	100.00%
Total Interest Expenses and Sharia	2,031,472	1,839,415	192,057	10.44%

Interest Income and Share, Net

Interest Income and Sharia is obtained from loans, margin and profit sharing, placements with Bank Indonesia and other banks, Bank Indonesia certificates, held to maturity securities, fair value securities through profit or loss, securities purchased under agreement to sell, returns, provisions, and others.

Interest income and net sharia in 2020 reach IDR4,057,270 million, an increase of 1.44% compared to 2019 which reach IDR3,999,601 million. This increase was mainly influenced by the increase in interest income from loans.

Table of Interest Income And Share, Net

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Interest income and sharia	6,088,742	5,839,016	249,726	4.28%
Interest and Sharia expenses	(2,031,472)	(1,839,415)	(192,057)	10.44%
Table of Interest Income and Share	4,057,270	3,999,601	57,669	1.44%

Other Operational Income

Other operating income in 2020 reach IDR417,871 million, decreased by 11.84% compared to 2019 which reach IDR473,980 million. This decrease was due to several factors that influenced the decline, namely the receipt of write-off credits.

Table of Other Operational Income

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Current, savings and time deposit administration	162,607	155,360	7,247	4.66%
Loan administration	41,357	45,993	(4,636)	(10.08%)
Receipt of write-off credits	55,055	77,973	(22,918)	(29.39%)
Fees and commissions other than credit given	5,613	14,795	(9,182)	(62.06%)
Others	153,239	179,859	(26,620)	(14.80%)
Total other operating income	417,871	473,980	(56,109)	(11.84%)

Operating Expenses

Operating expenses in 2020 reach (IDR2,958,864) million, an increase of 10.53% compared to the previous year reach (IDR2,677,002) million. This increase was mainly due to an increase in the allowance for impairment losses on financial assets.

Table of Operational Expenses

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Labor and employee benefits	(1,544,532)	(1,459,394)	(85,138)	5.83%
General and administration	(684,216)	(683,957)	(259)	0.04%
Allowance for impairment losses on financial assets	(567,751)	(370,265)	(197,486)	53.34%
Other expenses	(162,365)	(163,386)	1,021	(0.62%)
Total Operational Expenses	(2,958,864)	(2,677,002)	(281,862)	10.53%

Operational Profit

Operating profit in 2020 reach IDR1,516,277 million, decreased by 15.60% compared to the previous year which reach IDR1,796,579 million. This decrease was caused by non-operating expenses.

Table of Operational Profit

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Interest Income and Sharia, Net	4,057,270	3,999,601	57,669	1.44%
Operational Income and Others	417,871	473,980	(56,109)	(11.84%)
Operational Expenses	(2,958,864)	(2,677,002)	(281,862)	10.53%
Operational Profit	1,516,277	1,796,579	(280,302)	(15.60%)

Non-Operating (Expense) Revenue

Operating income (expenses) in 2020 reach (IDR8,910) million, a decrease of 113.19% compared to the previous year which reach IDR67,554 million. This decrease was caused by non-operating expenses.

Table of Non-Operational (Expense) Revenue

(in IDR million)

Description (1)	2020 (2)	2019 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Tax service fee	10,063	12,796	(2,733)	(21.36%)
Gain on sale of fixed assets	2,670	393	2,277	579.39%
Foreign exchange gain	2,255	2,440	(185)	(7.58%)
Non-Operational Expenses	(40,586)	(6,565)	(34,021)	518.22%
Others	16,688	58,490	(41,802)	(71.47%)
Non-operating income, net	(8,910)	67,554	(76,464)	(113.19%)

Income Before Tax Expenses

Profit before tax expense in 2020 reach IDR1,507,367 million, a decrease of 19.14% compared to the previous year which reach IDR1,864,133 million. The decrease was due to lower operating profit.

Table of Income Before Tax Expenses

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Operational Profit	1,516,277	1,796,579	(280,302)	(15.65%)
Non-Operational Income, Net	(8,910)	67,554	(76,464)	(111.88%)
Income Before Tax Expenses	1,507,367	1,864,133	(356,766)	(19.14%)

Tax Expenses - Net

Net tax expense in 2020 reach (IDR18,405) million, a decrease of 96.23% compared to the previous year which reach (IDR487,628) million. The decrease in net tax expense was affected by tax refunds.

Table of Debt Expenses - Net

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Beban pajak - neto	(18,405)	(487,628)	469,223	(96.23%)

Current Year Profit

Profit for the year in 2020 reach IDR1,488,962 million, an increase of 8.17% compared to the previous year which reach IDR1,376,505 million. This increase was due to a lower net tax burden.

Table of Current Year Profit

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Profit before tax expense	1,507,367	1,864,133	(356,766)	(19.14%)
Tax expense - net	(18,405)	(487,628)	469,223	(96.23%)
Current Year Profit	1,488,962	1,376,505	112,457	8.17%

Other Comprehensive Income

Other comprehensive income in 2020 reach IDR210,912 million, a decrease of 234.14% compared to the previous year which reach (IDR1,219,278) million. This decrease resulted from unrealized gain (loss) on financial assets measured at fair value through other comprehensive income.

Table of Other Comprehensive Income

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2) - (3)	(5) = (4)/(3)
Items that will not be reclassified to profit or loss:				
Fixed asset revaluation surplus	6,199	74,239	(68,040)	(91.65%)
Remeasurement of defined benefit plans	100,536	(289,357)	(389,893)	(134.74%)
Income tax related	(21,556)	57,871	(79,427)	(137.25%)
	85,179	(157,247)	242,426	(154.17%)
Items that will be reclassified to profit or loss:				
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	155,226	25	155,201	620,804.00%
Income tax related	(29,493)	(5)	(29,488)	589,760.00%
Other comprehensive income	210,912	(157,227)	368,139	(234.14%)

Comprehensive Income for The Year

Comprehensive profit for the year in 2020 reach IDR1,699,874 million, an increase of 39.42% compared to the previous year which reach IDR1,219,278 million. This increase was triggered by growth in loan interest income

Table of Comprehensive Income For The Year

(in IDR million)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2) - (3)	(5) = (4)/(3)
Current Year Profit	1,488,962	1,376,505	112,457	8.17%
Other Comprehensive Income	210,912	(157,227)	368,139	(234.14%)
Comprehensive Income for The Year	1,699,874	1,219,278	480,596	39.42%

Basic Earnings Per Share

Basic earnings per share in 2020 reach IDR99.16 an increase of 8.02% compared to 2019 which amounted to IDR 91.80. This increase was triggered by earnings growth for the calculation of basic earnings per share.

Table of Basic Earnings Per Share

(in full IDR)

Description	2020	2019	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2) - (3)	(5) = (4)/(3)
Earnings for the calculation of basic earnings per share	1,488,962	1,376,505	112,457	8.17%
Number of weighted average shares outstanding	15,015,498,082	14,994,423,326	21,074,756	0.14%
Basic earnings per shares	99.16	91.80	7.36	8.02%

Cash Flow Report

Table of Cash Flow Report

(in IDR million)

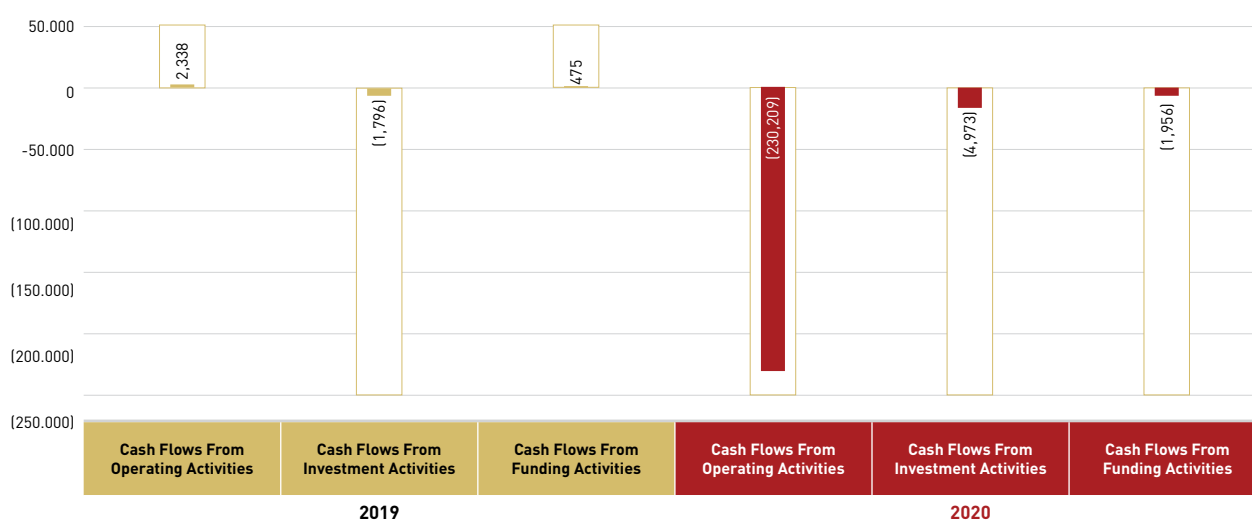
Description	2020	2019*)	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest receipts, sharia, fees and commissions	5,950,142	5,793,913	156,229	2.70%
Payment of interest, sharia, fees and commissions	(1,799,442)	(1,832,032)	32,590	(1.78%)
Receipts from other operating income	153,239	396,007	(242,768)	(61.30%)
Receipt back from write-off credit	55,055	77,973	(22,918)	(29.39%)
Receipts from non-operating income	29,007	74,120	70,565	(169.80%)
Payment for non-operating expenses	(40,586)	(6,565)	(34,021)	518.22%
Payment of labor expenses and employee benefits	(1,490,765)	(1,427,754)	(63,011)	4.41%
Payment of general and administrative expenses	(544,941)	(777,253)	232,312	(29.89%)
Payment of taxes	(378,774)	(581,512)	202,738	(34.86%)
Net cash is received before changes in operating assets and liabilities	1,932,935	1,716,897	216,038	12.58%
Changes in operating assets and liabilities:				
Placements with Bank Indonesia and other banks	112,000	(112,000)	224,000	(200.00%)
Credit given	(3,128,466)	(5,038,885)	1,910,419	(37.91%)
Securities that are sold under repurchase agreements	1,038,432	(471,540)	1,509,972	(320.22%)
Reverse repo bill	(6,735,524)	(5,837,520)	(898,004)	15.38%
Other assets and other receivables	(282,585)	(53,071)	(229,514)	432.47%
Liability immediately	127,269	(146,873)	274,142	(186.65%)
Deposits from customers	7,922,408	9,629,941	(1,707,533)	(17.73%)
Deposits from other banks	(32,826)	2,153,322	(2,186,148)	(101.52%)
Liability for securities that are sold under repurchase agreements	(1,037,094)	470,394	(1,507,488)	(320.47%)
Other liabilities	(146,658)	27,092	(173,750)	(641.33%)
Net cash was provided by operating activities	(230,109)	2,337,757	(2,567,866)	(109.84%)
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Purchase of securities	(4,943,265)	(1,774,238)	(3,169,027)	178.61%
Acquisition of securities	(32,487)	(22,126)	(10,361)	46.83%
Sale of securities	2,671	393	2,278	579.64%
Net cash is used for investing activities	(4,973,081)	(1,795,971)	(3,177,110)	176.90%
CASH FLOWS FROM FUNDING ACTIVITIES				
Receipt (payment) of received loans	(1,238,891)	1,144,682	(2,383,573)	(208.23%)
Proceeds from additional share capital	7,263	14,209	(6,946)	(48.88%)
Payment of lease obligations	(886)	-	(886)	(100.00%)
Payment of cash dividends	(723,747)	(683,865)	(39,882)	5.83%
Net cash is used in financing activities	(1,956,261)	475,026	(2,431,287)	(511.82%)
Decrease (increase) net increase in cash and cash equivalents	(7,159,451)	1,016,812	(8,176,263)	(804.11%)
Cash and cash equivalents at the beginning of the year	20,453,366	19,437,785	1,015,581	5.22%
Effect of changes in foreign currency exchange rates	(25)	(1,231)	1,206	(97.97%)
Cash and cash equivalents at year end	13,293,890	20,453,366	(7,159,476)	(35.00%)
Cash and cash equivalents consist of:				
Cash	2,511,548	2,729,776	(218,228)	(7.99%)
Current accounts with Bank Indonesia	3,659,969	5,734,527	(2,074,558)	(36.18%)

Description	2020	2019*)	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Current accounts with other banks	237,715	111,479	126,236	113.24%
Placements with Bank Indonesia and other banks	6,884,658	11,877,584	(4,992,926)	(42.04%)
Total cash and cash equivalents	13,293,890	20,453,366	(7,159,476)	(35.00%)

*) Restated

Graph of Cash Flow Report

(in IDR billion)



At the end of 2020, Bank Jatim posted a final balance of cash and cash equivalents to IDR13,293,890 million from last year's IDR20,453,366 million, a decrease of 35.00%. The decrease in cash balances was primarily due to liquidity requirements to meet customer and operational needs.

Cash Flows From Operating Activities

In 2020, there is a decrease in the net cash flow that is obtained from operating activities amounting to (IDR230,109) million from last year's (IDR2,337,757) million. Net cash flow represents reduction between cash inflows and outflows. The highest cash inflows came from increases interest income, investment and sharia, premium income, other operating income, non operating income, an increase in customer deposits, and an increase in deposits from another bank. The highest cash outflows, among others, come from lending, interest payments, and expenses other operations. This means that Bank Jatim is able to do good business processes by leveraging operational sources such as loans, deposits customers, and the tax payment becomes cash that is already in admit and be obtained.

Cash Flows From Investment Activities

Net cash used for investment activities in 2020 which amounted to (IDR4,973,081) million, an increase of 176.90% compared to 2019 which amounted to (IDR1,795,971) million. The highest cash

outflows include purchases of government bonds, purchases of securities, and purchases of fixed assets. This indicates that Bank Jatim is still making additional investments but has not yet received returns in the form of cash from investments issued during 2020.

Cash Flows From Funding Activities

In 2020, net cash flow obtained from financing activities amounted to (IDR1,956,261) million, decreased by 511.82% from last year's IDR475,026 million. This was mainly influenced by the repayment of loans received. The highest cash inflow came from, among others, the 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 get cash in the form of funding from loans that are able to cover cash out 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.

Ability To Pay Short-Term Debt (Bank Liquidity)

The liquidity ratio is measured by comparing the amount of credit 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 credit and financing provided to debtors as a source of liquidity.

LDR in 2020 amounted to 60.58%, decreased by 2.76% compared to 2019 which amounted to 63.34%. This means that the liquidity of Bank Jatim has improved and is in good condition so that it is able to meet its short-term obligations.

Table of Liquidity Ratio

(in %)

Description	2020	2019	Change
(1)	(2)	(3)	(2)-(3)
Loan to Funding Ratio (LFR)	60.58%	63.34%	(2.76%)

Ability To Pay Long-Term Debt (Bank Solvability)

The Capital Adequacy Ratio (CAR) in 2020 is at a safe level of 21.64% although it has slightly increase by 1.93% compared to 2019 which was recorded at a level of 21.23%. The level of the Bank Jatim 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 / OJK minimum adequacy ratio and the Bank's capital structure has met BI / OJK regulations. This shows that the Bank has managed well the Bank's capital and has sufficient capital to protect it from solvency risk.

Table of Solvability Ratio

(in %)

Description	2020	2019	Change
(1)	(2)	(3)	(2)-(3)
CAR-TIER I	20.63%	20.22%	0.41%
CAR-TIER II	1.02%	1.01%	0.01%
CAR (Credit, Market and Operational Risks)	21.64%	21.23%	1.93%

Other Financial Ratios

Bank Jatim's other financial ratios include profitability ratios, efficiency ratios and compliance ratios as follows.

Table of Other financial Ratios

(in %)			
Description	2020	2019	Change
[1]	[2]	[3]	[2]-[3]
RENTABILITY RATIO			
Return on Assets (RoA)	1.95%	2.73%	(0.78%)
Return on Equity (RoE)	18.77%	18.07%	0.70%
Net Interest Margin (NIM)	5.55%	6.11%	0.56%
EFFICIENCY RATIO			
Operating Expenses to Operating Income (BOPO)	77.76%	71.40%	6.36%
COMPLIANCE RATIO			
Minimum Rupiah Statutory Reserves	5.03%	9.63%	(4.60%)
Foreign Currency Minimum Statutory Reserves	8.22%	9.21%	(0.99%)

Return on Assets (RoA)

The RoA for 2020 was 1.95% or decreased by 0.78% compared to 2019 of 2.73%. The decrease was partly due to an increase in total assets.

Return on Equity (RoE)

RoE in 2020 was 18.77% or an increase of 0.70% compared to 2019 of 18.07%. This growth is mainly influenced by an increase in profit.

Net Interest Margin (NIM)

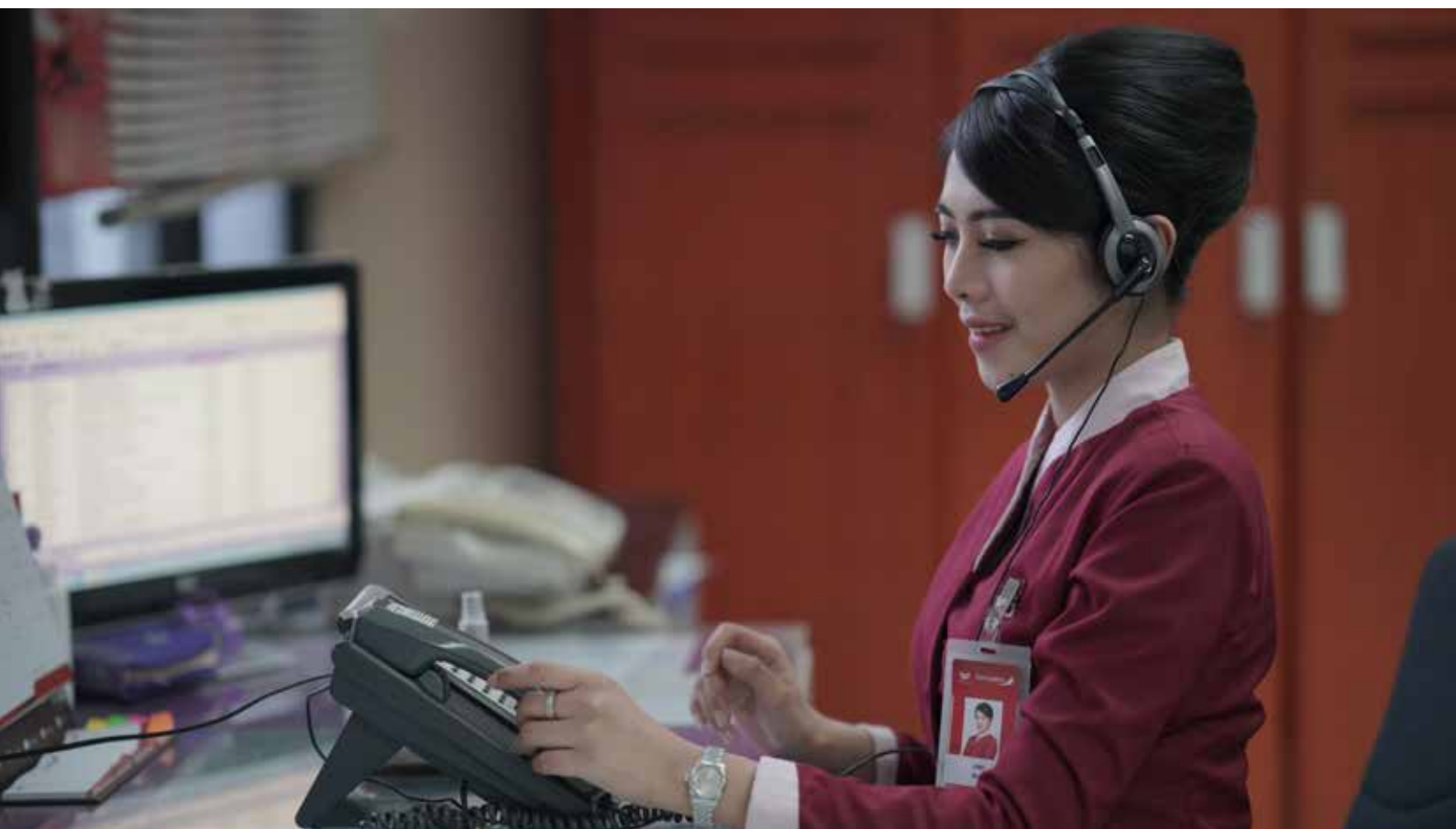
NIM increased by 0.56% from 6.11% in 2019 to 5.55% at the end of 2020. This was mainly influenced by the growth in lending and financing in 2020.

Operational Cost of Operating Income (BOPO)

The BOPO ratio increased by 6.36% in 2020, from 71.40% in 2019 to 77.76% in 2020. This increase was mainly influenced by the increase in interest expense on funds that occurred in 2020.

Statutory Reserve Requirement

Bank Jatim Rupiah Statutory Reserves in 2020 is 5.03% and Foreign Currency GWM is 8.22%. This liquidity position is in accordance with Bank Indonesia Regulation No.19/6/PBI/2017 dated 17 April 2017 concerning the 5th amendment to Bank Indonesia Regulation No.15/15/PBI/2013 dated 24 December 2013 concerning Statutory Reserves in Rupiah and Foreign Exchange for Conventional Commercial Banks.



Receivable 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 credit 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 credit quality.

Table of Non Performing Loan Ratio

(in %)

Description	2020	2019	Change
(1)	(2)	(3)	(2)-(3)
Non Performing Loan (NPL) Gross	4.00%	2.77%	1.23%
Non Performing Loan (NPL) Nett	0.89%	0.71%	0.18%

In 2020, Bank Jatim's Gross NPL was recorded at 4.00% or an increase compared to 2019 which was recorded at 2.77%. Meanwhile, the net NPL in 2020 was 0.89% or an increase of

0.18% compared to 2019 of 0.71%. The increase in the net NPL value is due to the impact of the COVID-19 pandemic throughout 2020.

Bank credit quality is divided based on the level of collectability, namely into the current, special mention, substandard, doubtful, and loss groups. Meanwhile, the purpose of credit classification

is so that the Bank can routinely monitor the credits that have been distributed

Table of Loans Given by Type and Collectability

(in IDR million)

Description	Total	Current	Special Mention	Sub-Standard	Doubtful	Loss
2020						
Working capital	8,599,891	7,133,134	478,450	18,179	33,145	936,983
Investation	6,050,859	5,734,721	70,344	3,070	4,584	238,140
Consumption	26,830,016	26,126,648	278,345	27,560	42,042	355,421
Amount	41,480,766	38,994,503	827,139	48,809	79,771	1,530,544
Less: Allowance for impairment losses	(1,454,721)	(69,366)	(96,415)	(18,831)	(33,678)	(1,236,431)
Amount of loans, net	40,026,045	38,925,137	730,724	29,978	46,093	294,113
2019						
Working capital	8,272,825	7,248,866	304,419	16,112	33,297	670,131
Investation	4,716,573	4,431,878	125,903	18,337	4,626	135,829
Consumption	25,362,902	24,944,802	235,693	28,727	38,454	115,226
Amount	38,352,300	36,625,546	666,015	63,176	76,377	921,186
Less: Allowance for impairment losses	(980,134)	(96,757)	(96,698)	(18,322)	(13,951)	(754,406)
Amount of loans, net	37,372,166	36,528,789	569,317	44,854	62,426	166,780
Growth 2019-2020 (%)						
Working capital	3.95%	(1.60%)	57.17%	12.83%	(0.46%)	39.82%
Investation	28.29%	29.40%	(44.13%)	(83.26%)	(0.91%)	75.32%
Consumption	5.78%	4.74%	18.10%	(4.06%)	9.33%	208.46%
Amount	8.16%	6.47%	24.19%	(22.74%)	4.44%	66.15%
Less: Allowance for impairment losses	48.42%	(28.31%)	(0.29%)	2.78%	141.40%	63.89%
Amount of loans, net	7.10%	6.56%	28.35%	(33.17%)	(26.16%)	76.35%

Loans granted net in 2020 amounted to IDR40,026,045 million, an increase of 7.10% compared to 2019 which amounted to IDR37,372,166 million with the current credit classification in 2020 amounted to IDR38,925,137 million, with special attention

IDR730,724 million, substandard amounting to IDR29,978 million, doubtful IDR46,093 million and loss of IDR294,113 million.

Productive Asset Quality

Productive assets in 2020 amounted to IDR80.38 trillion, an increase of 63.41% compared to 2019 which amounted to IDR49.19 trillion. The quality of productive assets in 2020 in the current category was IDR77.48 trillion, with special attention of IDR1.12 trillion, substandard at IDR67.86 billion, doubtful at IDR107.42 billion and loss of IDR1.60 trillion.

Table of Productive Asset Quality

(in IDR million)

No	Post	Individual				
		31 December 2020				
		Current	Special Mention	Sub-Standard	Doubtful	
I	RELATED PARTIES					
1	Placements 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					
4	Securities sold under repurchase agreement (Repo)					
	a. Rupiah					
	b. Foreign exchange					
5	Claims on securities purchased under agreement to resell (Reverse Repo)					
	a. Rupiah					
	b. Foreign exchange					
6	Acceptance bill					
7	Loans given and financing provided					
	a. Micro, Small and Medium Enterprises (UMKM) Debtors					
	i. Rupiah	51.118	-	-	-	
	ii. Foreign exchange	-	-	-	-	
	b. Not a MSME debtor					
	i. Rupiah	230.808	-	-	-	
	ii. Foreign exchange					

	Individual							
	31 December 2019							
	Loss	Total	Current	Special Mention	Sub-Standard	Doubtful	Loss	Total
	-	51.118	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	230.808	91.688	-	-	-	-	91.688

No	Post	Individual				
		31 December 2020				
		Current	Special Mention	Sub-Standard	Doubtful	
	c. Restructured Credit **)					
	i. Rupiah					
	ii. Foreign exchange					
8	Equity capital					
9	Other Receivables					
10	Commitments and contingencies					
	a. Rupiah					
	b. Foreign exchange					
	TOTAL	281.926	-	-	-	
II NON-RELATED PARTIES						
1	Placements with other banks					
	a. Rupiah	2.517.154				
	b. Foreign exchange	77.062				
2	Spot and derivatives/forward receivables					
	a. Rupiah	-	-	-	-	
	b. Foreign exchange	-	-	-	-	
3	Securities owned					
	a. Rupiah	14.666.737	-	-	-	
	b. Foreign exchange	-	-	-	-	
4	Securities sold under repurchase agreement (Repo)					
	a. Rupiah					
	b. Foreign exchange					
5	Claims on securities purchased under agreement to resell (Reverse Repo)					
	a. Rupiah	12.573.044	-	-	-	
	b. Foreign exchange					
6	Acceptance bill					

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No	Post	Individual			
		31 December 2020			
		Current	Special Mention	Sub-Standard	Doubtful
7	Loans given and financing provided				
a.	Micro, Small and Medium Enterprises (UMKM) Debtors				
i.	Rupiah	7.849.707	567.875	25.670	40.341
ii.	Foreign exchange	-	-	-	-
b.	Not a MSME debtor				
i.	Rupiah	30.871.548	250.824	23.468	39.430
ii.	Foreign exchange	-	-	-	-
c.	Restructured credit				
i.	Rupiah	1.808.540	119.233	3.676	-
ii.	Foreign exchange				
iii.	Property Credit	2.044.240	182.018	15.047	27.644
8	Equity capital		-	-	-
9	Other Receivables		-	-	-
10	Commitments and contingencies				
a.	Rupiah	4.747.063			
b.	Foreign exchange	42.150			
	TOTAL	77.197.245	1.119.950	67.861	107.415
III OTHER INFORMATION					
1	Total pledged bank assets:				
a.	At Bank Indonesia	-	-	-	-
b.	On the other hand	-	-	-	-
2	Foreclosed collateral		-	-	-
	TOTAL	77.479.171	1.119.950	67.861	107.415

			Individual					
			31 December 2019					
	Loss	Total	Current	Special Mention	Sub-Standard	Doubtful	Loss	Total
	810.762	9.294.355	6.247.544	238.744	41.618	32.069	740.403	7.300.378
	-	-	-	-	-	-	-	-
	719.217	31.904.487	22.256.171	192.605	10.787	22.550	615.308	23.097.421
	-	-	-	-	-	-	-	-
	53.301	1.984.750	67.016	1.414	-	-	105.591	174.021
	18.070	2.287.019	1.890.706	118.169	9.590	7.852	34.569	2.060.886
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
		4.747.063	4.899.740					4.899.740
		42.150	245.409					245.409
	1.601.350	80.093.821	46.922.350	550.932	61.995	62.471	1.495.871	49.093.619
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	1.601.350	80.375.747	47.014.038	550.932	61.995	62.471	1.495.871	49.185.307

Capital Structure

Management Policy and Basis of Management Policy Selection on Capital Structure

Minimum Capital / Capital Adequacy Ratio (CAR) based on Financial Services Authority Regulation No. 11 / POJK.03 / 2016 and the Financial Services Authority Regulation No. 34 / POJK.03 / 2016 concerning Minimum Capital Requirement for Commercial Banks. To meet these requirements, Bank Jatim had a policy to maintain a capital structure that was able to anticipate all major risks that occurred in bank management, namely market risk, credit risk and operational risk. Bank Jatim's capital management policy also aimed at maintaining a strong capital structure to support future business growth.

The main objective of the Bank's capital management was to ensure that the Bank maintains a healthy capital ratio in order to support the business and maximize shareholder value. Companies were required to comply with the Capital Adequacy Ratio (KPM) as stipulated by Bank Indonesia (add KPM limits that must be met)

Management used capital ratio regulations to monitor capital adequacy, in accordance with industry standards. Bank Indonesia's approach to capital measurement was primarily based on monitoring the required capital requirements against the available capital. Throughout 2020, Bank Jatim has met all the required capital requirements.

Capital Structure Details

In accordance with the Financial Services Authority Regulation, bank capital consists of:

- Core Capital**
 This is the Bank's capital which consists of paid capital, reserves disclosed as donated capital, additional paid-in capital, retained earnings (including retained earnings for certain purposes), impairment of financial instruments available for sale, and differences between the financial statements of international branch office. Bank Jatim Core Capital in 2020 reached IDR8,411,757 million, an increase of 7.54% from the average growth of IDR7,821,749 million in the last 3 (three) years, due to additional capital from the retained earnings component.
- Supplementary Capital (maximum 100% of core capital)**
 Supplementary capital refers to the Bank's capital which consists of allowance for revaluation of fixed assets, general allowance for provision of uncollectible account on productive assets, subordinated loans, and increase in value of financial instruments available for sale. Total complementary capital for Bank Jatim in 2020 amounted to IDR414,072 million, an increase of 8.92% from the average growth in the last 3 years of IDR368.670 million.

Table of Capital Structure

(in IDR million)

Bank Jatim Capital Adequacy Position	2020	2019	2018	Average Growth (%)	Growth 2019-2020 (%)
Core Capital	8,411,757	7,617,005	7,436,484	7,821,749	10.43%
Supplementary Capital	414,072	380,171	311,766	368,670	8.92%
Total Core Capital and Supplementary Capital	8,825,829	7,997,176	7,748,250	8,190,418	7.60%
Risk Weighted Assets (RWA) for Credit Risk	32,711,702	30,033,543	24,941,245	29,228,830	8.92%
Risk Weighted Assets (RWA) for Operational Risk	7,978,478	7,543,287	6,984,173	7,501,979	5.77%
Risk Weighted Assets (RWA) for Market Risk	85,830	98,829	84,418	89,692	(13.15%)
CAPITAL ADEQUACY RATIO (%)					
Core Capital Ratio	20.63	20.22	23.23	21.36	2.03%
Capital Adequacy Ratio for Credit and Operational Risk	21.70	21.28	24.21	22.40	1.97%
Capital Adequacy Ratio for Credit, Operational and Market Risks	21.64	21.23	24.21	22.36	1.93%

Capital structure

The composition of the capital structure in 2020 which is owned by Bank Jatim is 88.04% from liabilities and 11.97% in the form of equity. The percentage of capital structure funded with loans received in 2020 was 0.76%, a decrease compared to 2019 of 2.44%. All loans received are from third parties and are denominated in Rupiah.

Table of Capital Structure Detail

(in IDR million)

Description	2020		2019		Growth	
	(IDR)	(%)	(IDR)	(%)	(IDR)	(%)
Liabilities and Equity	83,619,452	100.00%	76,756,313	100.00%	6,863,139	8.94%
Liabilities	73,614,504	88.04%	67,734,755	88.25%	5,879,747	8.68%
Borrowings (interest-based debt)	631,355	0.76%	1,870,246	2.44%	(1,238,891)	(66.24%)
Equity	10,004,948	11.96%	9,021,558	11.75%	983,392	10.90%

Material Commitment for Capital Goods Investment

Bank Jatim has no material commitments for investment in capital goods in 2020. Therefore, there is no information regarding: Name of the party making the commitment, The purpose of the bond, The source of funds expected to fulfill these ties, Currency of the denomination and Measures that are planned by the Bank to protect the risk from the position of the related foreign currency.

Capital Goods Investment

Investment in the form of capital goods (capital expenditure) is an activity of spending funds that is used to buy a number of fixed assets or add value to fixed assets that are expected to provide future benefits.

Types and Investment Value of Capital Goods

Types and investments of capital goods are presented in the following table.

Table of Typed and Investment Value of Capital Goods

(in IDR million)

Type	Value in 2020	Value in 2019
Land, buildings and complementary facilities	1,064,710	1,058,559
Inventory	515,595	483,554
Motor vehicle	46,573	51,911
Total	1,626,878	1,594,024

Investment Objectives of Capital Goods

Bank Jatim capital expenditures, among others, are aimed at developing a network of service offices and supporting the Bank's operations. All capital expenditure transactions are conducted in Rupiah currency so that the Bank does not have foreign currency exchange rate risk in capital goods expenditure transactions.

Material Information Concerning Investment, Expansion, Divestment, Acquisition, Or Restructuring of Debt and Capital

Throughout 2020, Bank Jatim did not carry out investment, expansion, divestment, acquisition and debt/equity restructuring activities

Commitment and Contingencies

The Bank has commitments and contingent receivables and liabilities with the following details.

Table of Commitment and Contingencies

(in IDR million)		
Description	2020	2019
COMMITMENT		
Commitment liability		
Rupiah:		
Others	878,336	-
Unused credit facilities granted to debtors	3,727,461	3,850,264
CONTINGENCIES		
Contingent claims		
Rupiah:	154,952	104,410
Interest income in progress	13	13
Others	154,965	104,423
Amount of contingent claims		
Contingent liabilities		
Rupiah:		
Bank guarantee provided	1,019,602	2,257,934
Foreign currency:		
Bank guarantee provided and revocable L/C	42,150	80,092
Amount of contingent liabilities	1,061,752	2,338,026
Total contingent liabilities, net	906,787	2,233,603
Total commitment and contingent liabilities, net	3.755.912	6,083,867

Achievement of Targets and Future Targets

2020 Target Achievement

In general, the achievement of Bank Jatim's targets in 2020 has shown good results. Descriptions related to the comparison of targets and realization of finance, marketing and human resource development are presented as follows.

Target Comparison and Financial Realization

The achievement of total assets succeeded in exceeding the target of 110.39%. In line with this, deposits from customers and deposits from other banks also succeeded in exceeding the target of 114.24% and 503.57%, respectively. Loans granted and also succeeded in exceeding the target of 100.16%. In terms of interest income, it was slightly below the target set at 96.64%. Even so, the profit for the year managed to exceed the target set at 106.56%.

In terms of ratios, the CAR achievement was slightly below the target of 90.58%. However, RoE managed to exceed the target of 102.57%. Going forward, Bank Jatim will always carry out the implementation of the strategies that have been determined, so that the financial performance of Bank Jatim in the future will always increase continuously.

Table of Comparison of Bank Business Plans and Financial Realizations 2020

(in IDR million)			
Description	Realization 2020	Target 2020	Achievement
1	2	3	4=2/3
Financial Position			
Asset	83,619,452	75,750,000	110.39%
Loans	41,480,766	41,416,521	100.16%

Description	Realization 2020	Target 2020	Achievement
1	2	3	4=2/3
Deposits from customers	68,468,280	59,932,670	114.24%
Current account	21,129,415	23,042,673	91.70%
Savings	22,874,297	22,393,642	102.15%
Time deposit	24,464,568	14,496,355	168.76%
Deposits from other banks	2,855,604	567,075	503.57%
Loans Received	631,355	515,616	122.45%
Profit or Loss and Other Comprehensive Income			
Interest income and net sharia	4,057,270	4,416,648	91.86%
Other operating income	417,871	561,010	74.49%
Current year profit	1,488,962	1,398,000	106.51%
Financial Ratio			
Capital Adequacy Ratio (CAR)	21.64	23.99	90.54%
Non Performing Loan (NPL) Gross *Conventional	4.00	2.68	149.25%
Return on Assets (RoA)	1.95	2.95	66.10%
Return on Equity (RoE)	18.78	18.31	102.57%
Net Interest Margin (NIM)	5.55	7.11	78.06%
Operating Expenses Operating Income (BOPO)	77.76	72.44	107.34%
Loan to Deposit Ratio (LDR)	60.58	70.70	85.69%

Target Comparison and Marketing Realization

A description of the comparison between target and marketing realization is presented as follows

Table of Target Comparison and Marketing Realization

No	Description Target	Realization	Information
RBB TARGETS			
1.	Optimization of Non-Cash Financial Services with Local Governments	- Collaboration through host to host system with PEMDA. - Provision of non-cash services using a virtual account.	-
2.	Collaboration with the East Java Provincial Education Office	Bank Jatim distributed Physical DAK funds and funds for the Tis Tas (Free Qualified) program/BPOPP for SMA, SMK and PKPLK Public and Private in East Java.	-
3.	Financial Services Cooperation with Hospitals in the East Java Region in cash and non-cash financial services such as virtual accounts	Collaboration with several hospitals in East Java.	-
4.	Collaboration with schools, universities and Islamic boarding schools in cash and non-cash financial services such as virtual accounts and co-branding	Establishing collaborations with several educational institutions in East Java.	-
5.	Exploring the potential of private current accounts customers through approaches with agencies/corporations	Financial services collaborations were established with several agencies/corporations in East Java.	-
6.	Collaboration with BPJS Ketenagakerjaan regarding Banking Services	Collaboration related to financial services with BPJS Ketenagakerjaan	-
7.	Collaboration with GoPay (PT Dompot Anak Bangsa)	Collaborating with PT Dompot Anak Bangsa regarding financial services.	-
8.	Optimization of Cooperation with PT ASABRI (Persero)	There was an ongoing collaboration with PT ASABRI (Persero) regarding financial services.	-

No	Description Target	Realization	Information
9.	One Student One Account (OSOA)	Bank Jatim collaborates with the District/City Education Office and schools in East Java for the One Student One Account Program (KEJAR)	-
10.	Smart Practice Optimization	<ul style="list-style-type: none"> - Development of Laku Pandai Generai 2 (two) with new features including transfers to other banks, purchases and payments. - Additional benefits for Laku Pandai agents through the BPJS Ketenagakerjaan's National Movement for the Protection of Vulnerable Workers (GN Circle). 	-
11.	Optimizing QRIS Implementation	<ul style="list-style-type: none"> - Bank Jatim successfully made several QRIS merchant acquisitions. - Optimizing the use of QRIS for receiving market fees, electroification of houses of worship, payments at merchants, and payment of tickets at tourist attractions. 	-
12.	Program Promo dalam bentuk event	Bank Jatim participated in the 20 Years 5 Star Tour 2020 Dewa 19 event.	Several events were delayed due to the COVID-19 pandemic
13.	Program Undian Simpeda dan Undian Siklus	The Simpeda 2020 Lucky Draw was carried out virtually.	-
14.	Kerjasama dalam layanan jasa keuangan dengan Dinas Sosial Provinsi Jawa Timur	Bank Jatim distributed funds for the PKH Plus Elderly Social Security Program for the 2020 fiscal year.	-
15.	Kerjasama dengan Lembaga Manajemen Aset Negara (LMAN)	Forming cooperation related to fund management in current accounts and deposits with LMAN	-
16.	Kerjasama dengan PT Asuransi Jiwa Taspen (Taspen Life)	Collaboration related to financial services with PT Asuransi Jiwa Taspen	-

Table of Achievements in Marketing Performance Not Included in the 2020 RBB

No	Realization in 2020
1.	There was a collaboration regarding financial services with the Regional Office of the Ministry of Religion of East Java Province.
2.	Bank Jatim became a banking institution that provides payment services for the Jatim Online Shopping Application (Jatim Bejo) in the form of a virtual account.
3.	Bank Jatim as a distributor of disability assistance programs outside the institution
4.	Bank Jatim as a distributor of Non-Cash Food Assistance Funds (BPNT) and Direct Cash Assistance (BLT) in handling the COVID-19 pandemic.

Comparison of Targets and Realization of HR Development

The budget for education and training (diklat) costs for the development of Bank Jatim Human Resources in 2020 is IDR46,000,000,000, while the actual education and training costs up to 31 December 2020 are IDR8,702,059,480 or 18.92% so that the remaining budget is IDR37,297,940,520. The realization of the 2020 education and training cost budget only reached 18.92%, this was all due to the existence of education and training programs that had not been implemented according to the predetermined schedule.

The obstacle in implementing this training is due to the COVID-19 pandemic which has resulted in several training and education programs in 2020 not being implemented. In 2021, the Bank Jatim quality development strategy during the COVID-19 pandemic will be carried out online and offline/face-to-face training and education, both in-house training and public training, and using internal instructors and collaboration with external parties (vendors). When implementing offline/face-to-face training and education, it is mandatory to implement COVID-19 health protocols. With the implementation of online and offline training, it is hoped that the planned programs can be carried out well and can run smoothly.

Table of Comparison of the Target and Realization of Human Resources Development in 2020

(in IDR million)

Description	Realization 2020	Plan 2020	Achievement
1	2	3	4
Education and Training Budget and Official Travel Letter (SPD) in the Context of Education and Training (Lumpsum and at cost) in 2020	8,702,059,480	46,000,000,000	18.92%

Future Target

The management of Bank Jatim has prepared a Bank Business Plan for 2021 taking into account current economic conditions and economic projections in 2021, both from a macro and micro perspective.

Table of Assumptions in Preparing Projections

Assumption	2021
Economic growth (% YoY)	+ 5,0
Inflation	3,0
Interest rate ^{*)}	7,29
Rupiah Exchange Rate (IDR/USD)	14.600
Indonesian Crude Oil Price (USD/Barrel)	45
Oil Lifting (Thousand Barrels/Day)	705
Gas Lifting (thousand barrels of oil equivalent/day)	1.007

Source: 2021 State Budget Information - Ministry of Finance
 *) starting in 2021 3-month SPN will be replaced by 10th SBN

Financial Projection In 2021

Table of Financial Projection in 2021

(in IDR million)

Description	Projection 2021
1	2
FINANCIAL POSITION	
Asset	88,000,000
Loans	45,683,000
Current account	23,095,000
Savings	25,003,000
Time deposit	25,907,000
Deposits from other banks	463,427
Loans Received	1,115,445
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Interest income and net sharia	4,309,917
Other operating income	836,597
Current year profit	1,683,000

Description	Projection 2021
1	2
FINANCIAL RATIO	
Capital Adequacy Ratio (CAR)	22.77
Non Performing Loan (NPL) Gross	3.48
Return on Assets (RoA)	2.00
Return on Equity (RoE)	16.67
Net Interest Margin (NIM)	5.44
Operating Expenses Operating Income (BOPO)	76.71
Loan to Deposit Ratio (LDR)	61.32

Marketing Projections in 2021

In 2021 the bank is still continuing programs that have not been realized in 2020 and compiling marketing projections for 2021 as follows:

1. Optimizing cooperation with financial technology for top-up and marketplace transactions related to payment settlement, including GoPay, Indomart, and others.
2. Optimizing cooperation in the management of funds for schools and public and private universities, hospitals, and other institutions in order to increase the supply chain through the e-channel of Bank Jatim.
3. Development of Marketing Tools Application in order to optimize promotions through digital platforms (website: promo.bankjatim.co.id).
4. Current and savings product promotion program
5. Simpeda and Siklus sweepstakes in order to increase the Number of Accounts (NoA) and Assets Under Management (AUM) of savings products.
6. Promo program for millennial customers (Jatim Garage).
7. Implementation of Market Retribution, Tax Payment and other Regional Revenue services through networks and electronic services managed by Bank Jatim, including mobile banking, Laku Pandai.
8. Improved services by developing product features that are supported by reliable technology.
9. Selection of agents and expansion of the Laku Pandai network, by collaborating with Village-Owned Enterprises (BUMDES).

10. Collaboration with BPJS Ketenagakerjaan in receiving contributions, paying BPJS Ketenagakerjaan guarantees and paying Business Costs and Capital Expenditures (BUBM) through Banking Services.
11. Management of Expenditure Accounts of State Ministries/ Institutions in accordance with PMK Number 183/ PMK.05/2019.
12. Cooperation in the Financial Management of the Population and Family Planning Board (BKKBN).
13. Addition of Bank Jatim Business Partners, either private companies or BUMD in East Java.

HR Development Projection in 2021

HR development strategy is a plan on how the quality of human resources can develop in a better direction and increase their work ability. The HR development strategy can run well if it is accompanied by a well-planned HR development program. So that it is expected to be able to help achieve goals in producing quality human resources. One of the HR development programs is to provide training programs for employees.

Bank Jatim will develop quality human resources in 2021 through education and training programs. There are several types of HR training that can be done, including skills training, retraining or retraining, team training, creativity training and others. In 2021 the projected human resource development for all employees is 3,253 out of a total of 4021 employees.

Table of HR Development Projection

(in Person)

Description	Projection 2021
1	2
Training for organic employees	3,253

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 their impact on performance and future business risks.

Business Prospects and Future Strategies

It is estimated that conditions for economic recovery in 2021 will vary between countries, depending on access to health facilities, especially the implementation of the COVID-19 vaccination carried out, as well as the fiscal and monetary effectiveness being carried out. However, global economic activity is expected to continue to increase, supported mainly by China and the United States, as well as a number of developed countries such as Europe and Japan, as shown by improvements in a number of early economic indicators at the end of 2020, as well as social and geopolitical conditions following the United States leadership period which new.

On this basis, the World Bank in its January 2021 edition of the World Economic Outlook (WEO) predicts that global economic growth will move in a more optimistic direction in 2021. The global economy is estimated to grow 5.5%, better than the prediction in WEO October 2020. where the global economy is estimated to grow by 5.2%.

Optimism for national economic recovery in 2021 is still faced with various challenges. Although some basic economic indicators are slightly lower than originally estimated, a number of indicators suggest that the economy will continue to improve, such as the start of increasing export-import activity, improving manufacturing Purchasing Managers' Index (PMI), and favorable sales and consumer expectations.

Meanwhile, the capacity of the banking industry and financial services sector in 2021 will still be affected by conditions for economic recovery and the resolution of COVID-19. The forecast for growth in the performance of the financial services and banking sector in 2021 is as follows.

The realization of lower economic growth in the fourth quarter of 2020 (YoY) was due to, among other things, an increase in COVID-19 cases in Indonesia which had not shown a decline since it first occurred and the effectiveness of the National Economic Recovery (PEN) program which had not shown a significant effect in boosting the national economy especially from the consumption side, although the Consumer Confidence Index (IHK), the Expectation Index for Economic Conditions (IEK), and the Index for Current Economic Conditions (IKE) have improved since the third quarter of 2020.

Various policy stimuli, the implementation of the National Economic Recovery (PEN) program, the implementation of the Job Creation Law, the implementation of vaccinations that have been started since early January 2021, as well as the strict discipline of health protocols in various regions in Indonesia, are expected to encourage increased economic activity and increased consumption and investment that will drive the national economy going forward.

Sources: International Monetary Fund - World Economic Outlook, January 2021; Bank Indonesia - National Economic Review, Press Release Institute for Development of Economics and Finance (INDEF), 2021

Table of Projection of Performance Growth in the Financial Services and Banking Sector in 2021

	Financial Services Authority	Bank Indonesia
Credit	7.5% ± 1% (YoY)	7.3%
Third-Party Funds	11% ± 1% (YoY)	7% - 9%
Accounts receivable financing	4% ± 1% (YoY)	-

Source: MWA UI Webinar Series on January 27, 2021 delivered by Wimboh Santoso; Indonesian Economic Report - Bank Indonesia; Banking Survey Infographics Q4 2020 - Bank Indonesia.

With various estimates of global and national economic conditions as well as the banking industry, Bank Jatim has the opportunity to grow. The opportunities owned by Bank Jatim include the following:

- There is still a large market share for Bank Jatim, especially for civil servants.
- The high population of millennial residents who are internet and e-commerce users.
- Synergy and collaboration with the government and other financial/non-financial industries.
- Development of supporting infrastructure for economic development in East Java Province, which is still the main focus in addition to the focus on health and social issues.
- The potential for local taxpayers is still high.

Based on the assumptions outlined above along with various opportunities, Bank Jatim is optimistic to be able to continuously improve its performance. In other words, Bank Jatim has good business prospects. Bank Jatim's strengths in facing challenges and business prospects are presented as follows:

- a. Support for shareholders, both the Provincial Government and the Regency / City Government.
- b. Relatively high resilience and capital adequacy of the Bank.
- c. Captive market ownership and accessibility of government spending in East Java Province.
- d. Bank Jatim network coverage which spreads to almost all sub-districts in East Java Province.
- e. Collaboration with various parties, such as fintech and BPR.

Bank Jatim's strategy in developing business in 2021 is aligned with the direction of the Bank's policies and considers the latest developments in economic conditions due to the impact of the COVID-19 pandemic, by focusing on the strategies that will be implemented to achieve sustainable business growth, namely:

1. Encourage an increase in the productive sector, especially the MSME sector.
2. Maintain a captive market with local governments through increased capacity in funding, consumption credit and other potential financing.
3. Optimization of treasury business.
4. Accelerate NPL recovery efforts and increase extracomable revenues.
5. Maintain growth above the Regional Development Bank (BPD) industry.
6. Continue the national economic recovery program through distribution of PEN funds, credit restructuring, guarantees and interest subsidies.
7. Improve HR capabilities, setting clear career path patterns and minimizing conflicts of interest, strengthening education by establishing learning centers and establishing formations to plan employee needs.

8. Improve Key Performance Indicators (KPI) and adjusted to the new organizational structure.
9. Review existing policies and adjust them to external regulations and business dynamics by making rule making rules and their derivatives.
10. Connectivity of Bank Jatim's IT system with regional financial electronic to create Smart cities in each City District in East Java.
11. Accelerate digital-based product development in order to increase fee-based income, namely through product sales, partnership strategies and measurement through KPIs, creating/creating applications to simplify digital services.
12. Carry out a branch office transformation process through:
 - a. Implementation of the organizational structure
 - b. Improve sales planning activities at the branch level
13. Implementation on an ongoing basis for:
 - a. Corporate culture is an effort for the bank to survive amidst intense competition and have employees with integrity.
 - b. Development of a risk culture in a sustainable manner through improving the risk profile with minor weaknesses.
 - c. Compliance culture, through the road map for the improvement of Good Corporate Governance (GCG) to be ranked 2 (two).
 - d. Service culture, through measurable programs to reach rank 3 (three) in the MRI version of the BPD category.
 - e. Marketing culture, where every employee is a marketer, especially those on the front liner, needs to always be equipped with sufficient knowledge about the product and also measurable targets.

Policies, Announcements and Dividend Payments

Dividend Policy

There were no negative covenants that were detrimental to shareholders in connection with restrictions on third parties in the context of dividend distribution. The new shareholders originating from this Public Offering received the same and equal rights as the old shareholders of the Company, including the right to receive dividends. The amount of dividends to be distributed was related to the Company's profits in the relevant financial year, without neglecting the level of the Company's profits and without prejudice to the rights of the General Meeting of Shareholders of the Company to determine otherwise in accordance with the provisions of the Company's Articles of Association. Based on these matters, unless there were other basic reasons, management plans to pay cash dividends of at least 40% of net income each year.

Announcement and Dividend Payment

Based on the resolution of the AGMS, PT Bank Pembangunan Daerah Jawa Timur Tbk announced and paid dividends as shown in the following table.

Table of Announcement and Payment of Dividends for the 2015-2019 Financial Year

Description	Financial Year 2019	Financial Year 2018	Financial Year 2017	Financial Year 2016	Financial Year 2015
Net Profit (IDR)	1,376,505,140,913	1,260,308,411,500	1,159,369,505,449	1,028,216,274,326	885,708,380,142
Dividend (IDR)	723,747,007,552.40	683,865,985,709.02	660,384,829,276.20	652,202,312,878.48	641,460,454,226
Dividend Per Share (IDR)	48.20	45.61	44.10	43.64	43.00
Number of Shares	15,015,498,082	14,978,134,982	14,974,591,382	14,945,057,582	14,917,684,982
Dividend Payout Ratio (%)	52.58%	54.26%	56.96%	63.43%	72.42%
Announcement date	05 Mei 2020	09 Mei 2019	22 Februari 2018	10 Februari 2017	11 Februari 2016
Payment date	20 Mei 2020	29 Mei 2019	22 Maret 2018	02 Maret 2017	03 Maret 2016

Announcement and Payment of Dividends for The 2019 Financial Year

On April 24, 2020 Bank Jatim held an AGMS which approved and determined the use of Bank Jatim's net profit for the financial year ended December 31, 2019 amounting to IDR1,376,505,140,913.00 as follows:

1. A total of IDR723,747,007,552.40 or 52.58% of the net profit of Bank Jatim for the 2019 financial year will be distributed as cash dividends to shareholders registered in the Company's Shareholders Register as of May 8, 2020 to be paid on May 20, 2020.
2. As much as IDR652,758,133,360.60, the amount of 47.42% of Bank Jatim's net profit for the financial year 2019 is designated as General Reserves.

Announcement and Dividend Payment for Financial Year 2018

On April 26, 2019 Bank Jatim held an AGMS which approved and determined the use of Bank Jatim's net profit for the financial year ended December 31, 2018 amounting to IDR1,260,308,411,500.00 as follows:

1. IDR683,865,985,709.02 or 54.26% of Bank Jatim's net profit for the 2018 financial year will be distributed as cash dividends to shareholders registered in the Company's Shareholders Register as of 9 May 2019 which will be paid on 29 May 2019;
2. As much as IDR576,442,425,790.98 or 45.74% of Bank Jatim's net profit for the 2018 financial year is designated as General Reserves.

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.

Number of Shares

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% (zero-point seven one percent) of the total issued and fully paid-up capital after the Public Offering.

Exercise Prices and Eligible Employee and/or Management Requirements

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 of the 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 worked for 1 (one) year starting from April 30, 2012
 - Not sanctioned or in suspension status
 - Allocation is based on position
 - Award Shares are subject to "Lock-up" for 2 years
 - During the lock-up period, if the Employee resigns or is dismissed due to administrative sanctions, then, their rights to the Award Shares are 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 follows:

- 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	A maximum of 30% of the total Option Rights that can be issued in the MESOP Program
Phase II	A maximum of 30% of the total Option Rights that can be issued in the MESOP Program
Phase III	A maximum of 40% of the total Option Rights that can be issued in the MESOP Program

Time Period

The implementation period is determined in accordance with the provisions of the Registration Regulation No. I-A attachment to the Decree of the Board of Directors of the Jakarta Stock Exchange No.Kep-305/BEJ/07-2004 dated 19 July 2004, namely a maximum of 2 (two) implementation periods each year provided that each implementation period will be open for 30 (thirty) Exchange days. This MESOP program will be implemented in accordance with the prevailing laws and regulations. The MESOP program was only implemented in 2015 according to the resolutions of the AGMS for the 2014 financial year and ended in March 2020. Meanwhile, the ESA program was implemented in 2012 and ended in that year.

Realization of Use of Proceeds from the Public Offering

In July 2012, Bank Jatim conducted an Initial Public Offering of IDR2,983,537,000 (two billion nine hundred eighty-three million five hundred and thirty-seven thousand) new shares which were Series B Shares or 20% (twenty percent). of the issued and paid-up capital after the Initial Public Offering with a nominal value of IDR250 (two hundred and fifty Rupiah) per share, which is offered to the public at an Offer Price of IDR430 (four hundred and thirty Rupiah) per share, which must be paid in full at the time of submitting the Form Share Purchase Order (FPPS).

The entire fund is used to strengthen capital in order to support credit expansion, especially the MSME sector, development of operational networks and information technology, with the following description.

Tabel Realisasi Penggunaan Dana Hasil Penawaran Umum

(in IDR million)

Period	Offering Type	Allocation	Realization	Remains
2012	IPO	IDR1.225.252.566.606,40		
			Expansion of the Company's Credit IDR1.004.202.053.285,12	
			Pengembangan jaringan operasional IDR125.525.256.660,64	IDR77.922.290.170,64
			Pengembangan Teknologi Informasi IDR125.525.256.660,64	IDR119.650.875.791,35
				IDR197.573.165.961,99
2013	IPO			
			Expansion of the Company's Credit IDR1.004.202.053.285,12	-
			Operational network development IDR125.525.256.660,64	-
			Information Technology Development IDR125.525.256.660,64	IDR101.584.191.224,02
				IDR101.555.217.142,66

Period	Offering Type	Allocation	Realization	Remains
2014	IPO			
			Expansion of the Company's Credit IDR1.004.202.053.285,12	-
			Operational network development IDR125.525.256.660,64	-
			Information Technology Development IDR125.525.256.660,64	IDR47.095.122.120,82
2015	IPO			
			Expansion of the Company's Credit IDR1.004.202.053.285,12	-
			Operational network development IDR125.525.256.660,64	-
			Information Technology Development IDR125.525.256.660,64	IDR20.660.197.848,56
2016	IPO			
			Expansion of the Company's Credit IDR1.004.202.053.285,12	-
			Operational network development IDR125.525.256.660,64	-
			Information Technology Development IDR125.525.256.660,64	-
				-
2017	NIL			
2018	NIL			
2019	NIL			
2020	NIL			

The last public offering was carried out by Bank Jatim in 2016, until the end of 2020 Bank Jatim did not make a public offering of shares or bonds to the public through the capital market, so that in 2020 Bank Jatim did not present information about the realization of the use of proceeds from the public offering.

Information on Material Transactions Containing Conflict of Interest and/or Transactions with Affiliated Parties

Material Transaction is any participation in a certain business entity, project and/or business activity; purchase, sale, transfer, exchange of assets or business segments; leasing assets; borrow and borrow funds; guarantee assets; and/or provide corporate guarantees; with a value of 20% (twenty percent) or more of the Company's equity conducted once or in a series of transactions for a specific purpose or activity (Bapepam LK Number: Kep-412/BL/2009).

Affiliated Transaction

Affiliates, are:

1. Family relations by marriage and descent to the second degree, both horizontally and vertically;
2. Relationship between a party and its employees, directors or commissioners;
3. Relationship between 2 (two) companies where there is one or more members of the same Board of Directors or Board of Commissioners;
4. The relationship between the Company and the party, either directly or indirectly, controls or is controlled by the company;
5. Relationship between 2 (two) Companies that are controlled, either directly or indirectly, by the same Party; or
6. Relationship between the Company and Major Shareholders.

Affiliated Transaction is a Transaction conducted by a Company or Controlled Company with an Affiliate of the Company or an Affiliate of a member of the Board of Directors, a member of the Board of Commissioners, or a major shareholder of the Company (Bapepam LK Number: Kep-412/BL/2009).

Throughout 2020, there were no transactions that met the affiliated party transaction categories.

Conflict of Interest Transaction

Conflict of Interest is the difference between the economic interests of the Company and the personal economic interests of members of the Board of Directors, members of the Board of Commissioners, or major shareholders that can harm the Company concerned (Bapepam LK Number: Kep-412/BL/2009).

Throughout 2020, there were no transactions that met the category of conflict of interest transactions.

Related Party Transaction

Nama Pihak yang Bertransaksi dan Sifat Hubungan

Table of Names of Parties and Nature of Related Transaction Relationships

Related Parties	Nature of Relationship	Nature of the Transaction
East Java Provincial Government	Shareholders	Placement of funds
Surabaya City Government	Shareholders	Placement of funds
Malang Regency Government	Shareholders	Placement of funds
Jember Regency Government	Shareholders	Placement of funds
Pasuruan City Government	Shareholders	Placement of funds
Banyuwangi Regency Government	Shareholders	Placement of funds
Probolinggo Regency Government	Shareholders	Placement of funds
Bondowoso Regency Government	Shareholders	Placement of funds
Sidoarjo Regency Government	Shareholders	Placement of funds
Tuban Regency Government	Shareholders	Placement of funds
Situbondo Regency Government	Shareholders	Placement of funds
Kediri Regency Government	Shareholders	Placement of funds
Lumajang Regency Government	Shareholders	Placement of funds
Lamongan Regency Government	Shareholders	Placement of funds
Nganjuk Regency Government	Shareholders	Placement of funds
Mojokerto Regency Government	Shareholders	Placement of funds
Sampang Regency Government	Shareholders	Placement of funds
Malang City Government	Shareholders	Placement of funds
Pasuruan Regency Government	Shareholders	Placement of funds
Bangkalan Regency Government	Shareholders	Placement of funds
Gresik Regency Government	Shareholders	Placement of funds
Mojokerto City Government	Shareholders	Placement of funds
Pacitan Regency Government	Shareholders	Placement of funds
Batu City Government	Shareholders	Placement of funds
Ngawi Regency Government	Shareholders	Placement of funds
Jombang Regency Government	Shareholders	Placement of funds
Madiun Regency Government	Shareholders	Placement of funds
Pamekasan Regency Government	Shareholders	Placement of funds
Tulungagung Regency Government	Shareholders	Placement of funds
Blitar Regency Government	Shareholders	Placement of funds

Related Parties	Nature of Relationship	Nature of the Transaction
Ponorogo Regency Government	Shareholders	Placement of funds
Trenggalek Regency Government	Shareholders	Placement of funds
Magetan Regency Government	Shareholders	Placement of funds
Bojonegoro Regency Government	Shareholders	Placement of funds
Probolinggo City Government	Shareholders	Placement of funds
Blitar City Government	Shareholders	Placement of funds
Madiun City Government	Shareholders	Placement of funds
Kediri City Government	Shareholders	Placement of funds
Sumenep Regency Government	Shareholders	Placement of funds
Bojonegoro Regency Government	Shareholders	Credit given
Lamongan Regency Government	Shareholders	Credit given
Malang Regency Government	Shareholders	Credit given
RSUD Dr. Soetomo	Owned by the same ultimate shareholder	Credit given
RSUD Dr. Soedono Madiun	Owned by the same ultimate shareholder	Credit given
PT Bank Perkreditan Rakyat Jawa Timur	Owned by the same ultimate shareholder	Credit given Placement of funds
Board of Commissioners, Directors and executive officers	Key employees	Customer Deposits Labor Load

Fairness and Reason for Conducting the Transaction

In normal business activities, Bank Jatim conducts 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 terms. Related party transactions occur because of the business needs of Bank Jatim.

Realization of Related Party Transactions

Balance of productive assets, deposits, loans received and commitments and contingencies from related parties are as follows:

Table of Realization of Related Party Transactions

Description	2020	2019
(in IDR million)		
ASSET		
Credit Given		
RSUD Dr. Soetomo	69,521	93,973
PT BPR Jawa Timur	50,791	26,730
Key management loans	115,072	128,489
RSUD Dr. Soedono Madiun	46,139	57,439
Others	4,072	14,265
Total	285,595	320,896
Percentage of total assets	0.34%	0.42%
LIABILITIES		
Deposits from customers	-	14,940,917
Percentage of total liabilities	0.00%	22.12%
Deposits from other banks		
PT BPR Jawa Timur	238,798	126,508
PT BPR Surya Atha Utama	62	670
PT BPR Bank Daerah Tulungagung	-	10,641
Total	238,860	137,819
Percentage of total liabilities	0.32%	0.20%

Description	2020	2019
INCOME AND LOSS AND OTHER COMPREHENSIVE INCOME		
Interest income	42,918	17,626
Percentage of total interest income and sharia	0.70%	0.30%
Interest and Sharia expenses	42,918	728,486
Percentage of total interest expense and sharia	2.11%	39.60%
COMMITMENT AND CONTINGENCIES		
There were no outstanding commitments and contingencies to related parties for the years ended December 31, 2020 and 2019.	-	-
KEY MANAGEMENT COMPENSATION		
Compensation to key management personnel of the Bank (excluding Commissioners and Directors)	-	-
Salary	20,372	20,208
Production service	10,733	9,337
Allowance	8,632	10,866
Post-employment benefits	-	2,787
Total	39,737	43,198

Review Mechanism Policy on The Transaction Compliance with Related Rules and Provisions

All transactions had gone through a review mechanism according to the type of transaction, and an analysis of the feasibility of the transaction was carried out. Throughout 2020, there were no violations of laws and regulations related to transactions with related parties.

Amendments To The Legislation and The Impact on Banks

The changes in several laws and regulations throughout 2020 and their impact on Bank Jatim are described in the table as follows

Table of Amendments to the Prevailing Laws

No	Legislation	Principal Settings	Implications for Bank Jatim
1	Financial Services Authority Regulation Number 34/POJK.04/2019 concerning Mutual Funds in the Form of Limited Participation Collective Investment Contracts	<ol style="list-style-type: none"> Participation Units for Limited Participation Mutual Funds must be made only to and purchased by Professional Investors. Participation Units for Limited Participation Mutual Funds can be made through a Public Offering or not through a Public Offering. The types of Participation Units for the Limited Participation Mutual Funds must be stipulated in the Collective Investment Contract and the Limited Participation Mutual Funds Disclosure Document. Minimum Investment Value: <ol style="list-style-type: none"> Minimum Investment for each Participating Unit holder of the Limited Participation Mutual Funds is 1,000,000 (one million) Participation Units with a value of IDR1,000,000,000.00 (one billion rupiah) in the initial investment. In the event Participation Units for Limited Participation Mutual Funds are issued using foreign currency denominations, the minimum investment as referred to in letter (a) shall be an equivalent value of IDR1,000,000,000.00 (one billion rupiah) using the Bank Indonesia middle rate. applies. The minimum investment value for the Limited Participation Mutual Funds as referred to in letter (a) is prohibited from being owned and/or agreed upon to be jointly owned by more than 1 (one) Party. 	Bank Jatim as a Professional Investor can purchase Participation Units for Limited Participation Mutual Funds through a Public Offering or not through a Public Offering.

No	Legislation	Principal Settings	Implications for Bank Jatim
		<p>5. Limited Participation Mutual Funds are prohibited from investing in Securities except:</p> <ul style="list-style-type: none"> a. Fixed income debt securities and/or sharia securities offered through a Public Offering and/or not through a Public Offering; b. Equity securities issued by a company that is not a public company, unless the ownership of equity securities issued by the public company is a result of the mechanism for terminating the Limited Participation Mutual Funds in the form of a Public Offering strategy conducted by Private Funds investing in equity securities; and/or c. Hybrid Securities that are not offered through a Public Offering. <p>6. Participation Unit holder rights, must include at least:</p> <ul style="list-style-type: none"> a. Participation Unit holder rights as referred to in POJK regarding Mutual Funds in the Form of Collective Investment Contracts; b. The right to obtain information regarding the development of the Limited Participation Mutual Funds activities and the Net Asset Value of the Limited Participation Mutual Funds every 3 (three) months; and c. Right to request general meeting of Participating Unit holders, in the event that Participation Unit holders represent 1/10 (one tenth) or more of the total Participation Units of the Limited Participation Mutual Funds issued. <p>7. Participation Unit Holder for Limited Participation Mutual Funds may request a general meeting of Participation Unit holders to the Investment Manager by registered mail along with the reasons with a copy to the Custodian Bank and Financial Services Authority in the event of this, but not limited to:</p> <ul style="list-style-type: none"> a. There is a violation of the agreement related to the Limited Participation Mutual Funds including violation of the Collective Investment Contract allegedly committed by the Investment Manager and/or the Custodian Bank; b. Proposed investment manager replacement plans; c. Proposed plan to replace the Custodian Bank; and/or d. Proposal to add, reduce, and/or replace members of the Investment Committee. <p>8. Reports by the Investment Manager to Participating Unit holders for Private Funds include:</p> <ul style="list-style-type: none"> a. Investment report and divestment report no later than 5 (five) working days after the Limited Participation Mutual Funds invested or divested in a Securities. b. Periodic reports on the implementation of Real Sector Activities no later than 5 (five) working days from the end of the 6 (six) month period. 	
2	Financial Services Authority Regulation Number 13/POJK.03/2020 concerning Amendments to the Financial Services Authority Regulation Number 38/POJK.03/2016 concerning Application of Risk Management in the Use of Information Technology by Commercial Banks	<ul style="list-style-type: none"> 1. Electronic systems used to support integrated analysis in order to comply with the provisions issued by the authorities of the Bank's country of origin which are global in nature, including across countries; 2. Electronic systems used for risk management in an integrated manner with the Bank's head office or the main office/main entity office outside the territory of Indonesia; 3. Electronic systems used for the implementation of anti money laundering and terrorism financing prevention in an integrated manner with the Bank's head office or Bank's main office outside the territory of Indonesia; 4. Electronic systems used for services to customers globally, which require integration with Electronic Systems belonging to the Bank group outside the territory of Indonesia; 5. Banks are required to ensure that data used in Electronic Systems placed at Data Centers and/or Disaster Recovery Centers outside the territory of Indonesia is not used for purposes other than those referred to in Article 21 paragraph 3. Violation of these provisions will be subject to administrative sanctions in the form of written warnings. . 	With the issuance of POJK Number 13/SE0JK.03/2020 concerning Amendments to the Regulation of the Financial Services Authority Number 38/POJK.03/2016 concerning the Application of Risk Management in the Use of Information Technology by Commercial Banks, it is possible to have an impact on Bank Jatim's internal provisions related to risk management. and information technology activities.

No	Legislation	Principal Settings	Implications for Bank Jatim
		<p>6. In the event that based on the assessment of the Financial Services Authority, the placement of Electronic Systems at Data Centers and/or Disaster Recovery Centers outside the territory of Indonesia:</p> <ol style="list-style-type: none"> is not in accordance with the plan to place the Electronic System at the Data Center and/or Disaster Recovery Center outside the territory of Indonesia which is submitted to the Financial Services Authority; has the potential to reduce the effectiveness of supervision by the Financial Services Authority; has the potential to have a negative impact on the Bank's performance; and/or not in accordance with the provisions of laws and regulations. <p>The Financial Services Authority has the authority to request Banks to place Electronic Systems at Data Centers and/or Disaster Recovery Centers in the territory of Indonesia.</p> <p>7. Banks are required to implement action plans that have been submitted to the Financial Services Authority as referred to in Article 41 paragraph (2).</p> <p>8. Bank that does not implement the action plan as referred to in paragraph (1), is declared to have violated the obligations referred to in Article 21 paragraph (1).</p>	
3	Financial Services Authority Regulation Number 16/POJK.04/2020 concerning the Implementation of the General Meeting of Shareholders of Public Companies Electronically	<ol style="list-style-type: none"> In order to facilitate the Public Company to hold the GMS effectively and efficiently and to support the creation of financial system stability, it is necessary to take advantage of information technology; Effective and efficient holding of the General Meeting of Shareholders of Public Companies in the end will also increase the effectiveness and efficiency of corporate business decision making, particularly in the smooth running of the Public Company business activities and will broadly strengthen the stability of the financial system; Electronic GMS can be carried out by using: <ol style="list-style-type: none"> e-GMS provided by e-GMS Provider; or system provided by the Public Company. E-GMS providers are: <ol style="list-style-type: none"> The Depository and Settlement Institution appointed by the Financial Services Authority; or Other parties approved by the Financial Services Authority In this POJK, there are regulations regarding the obligations of E-GMS providers; e-GMS or a system provided by a Public Company must have the following features: <ol style="list-style-type: none"> to display the GMS rules, materials, and agenda of the GMS required for shareholders to make decisions at each agenda of the GMS; which allows all GMS participants to participate and interact in the GMS; for calculating the quorum attendance of the GMS; for voting and counting of votes, including if there is more than 1 (one) share classification; to record all interactions at the GMS, whether in the form of audio, visual, audio visual, or non-audio visual electronic recordings; and authorization electronically. In the implementation of the GMS electronically, the Public Company must (details are regulated in Chapter IV of this POJK): <ol style="list-style-type: none"> Contains information regarding the plan for the implementation of the GMS electronically in the notification of the GMS agenda to the Financial Services Authority, the announcement of the GMS, and the summons for the GMS; and Organize a physical GMS attended by at least: <ol style="list-style-type: none"> Chairman of the GMS; 1 (one) member of the Board of Directors and/or 1 (one) member of the Board of Commissioners; and Capital market supporting professionals who assist the implementation of the GMS. An electronic GMS Minutes must be made in the form of a notarial deed by a notary registered with the Financial Services Authority without requiring the signature of the GMS participants; 	<ol style="list-style-type: none"> The obligations of E-GMS providers as stipulated in this POJK can be used as a minimum requirement if Bank Jatim intends to use the service providers; If Bank Jatim is going to make its own system for the implementation of e-GMS, then the features required by this POJK as number 2.1.6 in the discussion above must be fulfilled; Can be considered to accommodate the clause for organizing the e-GMS in the Articles of Association of Bank Jatim.

No	Legislation	Principal Settings	Implications for Bank Jatim
		<p>9. By the time this Financial Services Authority Regulation comes into effect until:</p> <ol style="list-style-type: none"> 6 (six) months after the enactment of this Financial Services Authority Regulation; or approval of the provisions of the e-GMS Provider as referred to in Article 7 paragraph (3) by the Financial Services Authority, The e-GMS provider as referred to in Article 4 paragraph (2) letter a can provide services as an e-GMS Provider based on an agreement with the e-GMS User. 	
4	Financial Services Authority Regulation Number 37/POJK.04/2020 concerning Procedures for Exemption to Fulfillment of the Principle of Openness for Issuers or Public Companies that are Financial Services Institutions in the context of Financial System Crisis Prevention and Management	<ol style="list-style-type: none"> OJK may stipulate exemptions for compliance with the Principle of Disclosure for Issuers or Public Companies that are LJK that have a license from OJK to collect and/or manage public funds. The stipulation of exceptions for compliance with the Principle of Disclosure for Issuers or Public Companies can be made based on: <ol style="list-style-type: none"> OJK's review of the Issuer or Public Company which is an LJK: <ul style="list-style-type: none"> Experiencing problems that could endanger Financial System Stability; Receiving a Written Order from OJK to solve the problem as referred to in letter a above; Did not experience the problems referred to in letter a above, but based on a Written Order from OJK to carry out transactions or corporate actions related to efforts to resolve other LJK problems. The application submitted by the Applicant to OJK meets the following conditions: <ul style="list-style-type: none"> Experiencing problems that could endanger Financial System Stability; or Did not experience the problems referred to in point (a) above, but based on a Written Order from OJK to carry out transactions or corporate actions related to efforts to resolve other LJK problems. The application submitted by the Applicant to OJK must contain at least: <ol style="list-style-type: none"> Reasons that compliance with the Principle of Openness can endanger Financial System Stability so that it needs to be excluded (for this reason, accompanied by supporting documents and analysis results which conclude that compliance with the Principle of Openness may endanger Financial System Stability); Types of Disclosure Principles that are requested to be exempted; and The period for which an exception is requested. If in the application, OJK determines to: <ol style="list-style-type: none"> Grants all requests; Grants and rejects part of the request; or Instruct the Petitioner to take or not take certain actions that the Petitioner has not previously requested <p>This is accompanied by the obligation to submit periodic reports to the OJK.</p> 	<p>Bank Jatim may be subject to exceptions for compliance with the Principle of Disclosure based on:</p> <ol style="list-style-type: none"> Review by OJK; or Request from the Bank to the OJK, as long as the Bank is experiencing problems that could endanger the Financial System Stability or the Bank does not experience problems, but based on a written order from the OJK conducts transactions or corporate actions related to efforts to resolve other LJK problems.

No	Legislation	Principal Settings	Implications for Bank Jatim
5	Bank Indonesia Regulation Number 22/4/PBI/2020 concerning Incentives for Banks Providing Provision of Funds for Certain Economic Activities to Support Handling the Economic Impacts of the Corona Virus Outbreak	<ol style="list-style-type: none"> Bank Indonesia provides incentives for banks that provide funds for certain economic activities in the form of: <ol style="list-style-type: none"> Export activities; Import activities; UMKM activities; and/or Economic activities in other priority sectors as determined by Bank Indonesia The incentive for the bank is in the form of leniency on the mandatory reserve requirement in rupiah which must be fulfilled on a daily basis at the amount determined by Bank Indonesia through the implementing provisions of this PBI. In implementing the policy for providing incentives for banks, Bank Indonesia may coordinate with the government and/or related authorities. Bank Indonesia provides incentives on a monthly basis. The scope of provision of funds for certain economic activities consists of: <ol style="list-style-type: none"> Export credit or export financing; Productive import credit or productive import financing; Letter of Credit; UMKM credit or UMKM financing; and/or Credit or other financing stipulated by Bank Indonesia. Incentives are given on a monthly basis and are given until 31 December 2020. The first incentives were given on April 16, 2020 using data for March 2020. 	Bank Jatim made several adjustments to internal regulations and funding products to be able to support government programs in handling the economic impact due to the corona virus outbreak.
6	Bank Indonesia Regulation Number 22/13/PBI/2020 concerning Second Amendment to Bank Indonesia Regulation Number 20/8/2018 concerning Loan to Value Ratio for Property Loans, Financing to Value Ratio for Property Financing, and Down Payment for Motor Vehicle Loans or Financing (PBI LTV/FTV and Down Payment)	<ol style="list-style-type: none"> Changes in the minimum down payment limit for motor vehicle credit/financing (KKB/PKB) in the context of purchasing environmentally sound motorized vehicles so that the details become: <ol style="list-style-type: none"> For the purchase of two-wheeled motorized vehicles, at least 0% (zero percent); For purchases of three-wheeled motorized vehicles or more that are not intended for productive activities, at least 0% (zero percent); and For purchases of three-wheeled motorized vehicles or more intended for productive activities, at least 0% (zero percent). The provisions referred to in number 1 apply to Banks that meet the requirements for the gross non-performing loan/financing ratio and the non-performing KKB/PKB ratio on a net basis. 	With the issuance of these provisions, Bank Jatim made adjustments to internal regulations related to motor vehicle ownership credit as a form of Bank compliance with regulators.
7	Financial Services Authority Circular Letter Number 3/SEOJK.04/2020 concerning Other Conditions As Market Conditions Fluctuating Significantly in the Implementation of Shares Buyback Issued by Issuers or Public Companies	<p>Implementation of Shares Buyback by Issuers or Public Companies</p> <ol style="list-style-type: none"> Issuers or Public Companies whose shares are listed on the Stock Exchange can repurchase their shares based on the mechanism stipulated in POJK Number 2/POJK.04/2013. For Issuers or Public Companies that will or are currently buying back shares or have controlled their shares because of the treasury based on the laws and regulations in the Capital Markets sector regarding the buyback of shares issued by the Issuer or Public Company and will repurchase shares based on POJK Number 2/POJK.04/2013, the total repurchase based on the two regulations is at most 20% (twenty percent) of the paid-up capital, provided that the minimum number of shares outstanding is 7.5% (seven point five percent).) of the paid-up capital. 	Banks can adjust the mechanism for implementing the Shares Buyback transaction in accordance with this SEOJK.

No	Legislation	Principal Settings	Implications for Bank Jatim
8	Regulation of Members of the Board of Governors number 22/4/PADG/2020 concerning Implementation of Bank Indonesia Regulation Number 22/4/PBI/2020 concerning Incentives for Banks Providing Provision of Funds for Certain Economic Activities to Support Handling the Economic Impacts of the Corona Virus Outbreak	<ol style="list-style-type: none"> 1. Incentive PADG technically regulates, among others, the form and amount of incentives, the period for providing incentives, the scope of provision of funds for certain economic activities, details of data sources and data positions for provision of funds for certain economic activities, sanctions, evaluation of incentive policies, examples of incentive calculations, and examples of calculation of sanctions. 2. The form of incentives in the form of concessions on the mandatory reserve requirement in rupiah, which must be fulfilled on a daily basis for Banks providing provision of funds for certain economic activities, is 0.5% (zero point five percent). Example: Statutory Reserves in rupiah are set at an average of 5.5% (five point five percent) of BUK third party funds in rupiah, which consists of: <ol style="list-style-type: none"> a. Statutory Reserves in rupiah which must be fulfilled on a daily basis is 2.5% (two point five percent); and b. GWM in rupiah that must be fulfilled on average is 3% (three percent). In the event that BUK obtains concessional incentives on the obligation to fulfill GWM in rupiah which must be fulfilled on a daily basis, the GWM in rupiah will be an average of 5% (five percent), which consists of: <ol style="list-style-type: none"> a. GWM in rupiah which must be fulfilled on a daily basis is 2% (two percent); and b. The statutory reserve requirement in rupiah, which must be met, is a fixed average of 3% (three percent). 3. Bank Indonesia provides incentives on a monthly basis. The first incentive provision is for the period from 16 April 2020 to 15 May 2020. 4. The scope of provision of funds for certain economic activities consists of: <ol style="list-style-type: none"> a. Export credit or export financing; b. Productive import credit or productive import financing; c. L/C; d. UMKM Credit or UMKM Financing; and/or e. Credit or other financing stipulated by Bank Indonesia, in rupiah and foreign currencies to non-bank third parties. 5. Sources of data on provision of funds come from LBU, LSMK, UUS BUS, LBUT, and/or other supporting reports or data requested by Bank Indonesia to ensure the suitability of the Bank's exposures related to the provision of funds for certain economic activities. 6. For UUS BUS LBU and LSMK data, the position of the data used is the data submitted by the Bank up to the deadline for late submission of LBU and/or LBU corrections or the deadline for UUS BUS LSMK delay and/or UUS BUS LSMK correction online as referred to in the provisions Bank Indonesia regarding UUS BUS LBU and LSMK. For LBUT data, the data position used is the data submitted by the Bank up to the deadline for the late submission period for LBUT as referred to in the Bank Indonesia provisions concerning LBUT. 7. Data on provision of funds from the data source as referred to in letter d is used for determining which Banks can receive incentives on a monthly basis. For example: March 2020 position data is used to provide incentives for the period from April 16, 2020 to May 15, 2020. 8. Bank Indonesia may request confirmation from a Bank in the event that Bank Indonesia has not obtained the predetermined data position. 9. Under certain conditions, Bank Indonesia may use the latest available position data. Bank Indonesia will inform the use of such data to the Bank. What is meant by certain conditions include, among other things, force majeure that causes the Bank to be unable to submit a report, changes in report submission time, and other certain conditions determined by Bank Indonesia. 10. Bank Indonesia evaluates the policy for providing incentives at least 1 (one) time before the policy's validity period ends. The results of the policy evaluation for providing incentives are informed by Bank Indonesia to the Bank in the form of issuance of Bank Indonesia regulations and/or submission of notification letters to the Bank. 	<ul style="list-style-type: none"> - Bank Jatim made several adjustments to internal regulations and funding products to be able to support government programs in handling the economic impact due to the corona virus outbreak. - Bank Jatim is encouraged to channel financing to certain economic activities, in this case, Export Import Credit and MSME Credit, in order to obtain a flexible reserve requirement which has an impact on the leniency of the Bank's liquidity.

No	Legislation	Principal Settings	Implications for Bank Jatim
9	Regulation of Members of the Board of Governors number 22/10/PADG/2020 concerning the Fifth Amendment to the Regulation of Members of the Board of Governors Number 20/10/PADG/2018 concerning Statutory Reserves in Rupiah and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units	<ol style="list-style-type: none"> The substance of the regulatory changes in this PADG includes: <ol style="list-style-type: none"> Decrease in GWM in rupiah for BUK from 5.5% to 3.5% with the fulfillment of: <ul style="list-style-type: none"> The portion of daily GWM from 2.5% to 0.5%. The average reserve requirement remains 3.0%. Decrease in GWM in rupiah for BUS and UUS from 4% to 3.5%, with the fulfillment of: <ul style="list-style-type: none"> The portion of daily statutory reserves from 1.0% to 0.5%. The average reserve requirement remains 3.0%. Change in the amount of allowance for the fulfillment of GWM in rupiah on a daily basis that can be given to BUK, BUS, and UUS that are merging or consolidating from the original 1% to the percentage of the mandatory GWM fulfillment obligation in rupiah which must be fulfilled daily. Other provisions, including the procedure for fulfilling the reserve requirement and sanctions, have not changed. To complete the explanation of the change in this regulation, the example of calculating the statutory reserve requirement has also been adjusted according to the changes in the statutory reserve requirement above. An example of the new calculation is in the attachment of this PADG. 	<ul style="list-style-type: none"> Banks make adjustments related to treasury policies and this requirement must be fulfilled on a daily basis for macroprudential policies. Bank Jatim received liquidity looseness for the elimination of daily statutory reserves by 2% to 0.5%, so that Bank Jatim has room for revenue expansion through other productive assets.
10	Regulation of Members of the Board of Governors number 22/11/PADG/2020 concerning Amendments to the Regulation of Members of the Board of Governors Number 21/22/PADG/2019 concerning Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Banks and Sharia Business Units	<ol style="list-style-type: none"> Adjustment of Lower Disincentive Parameters and Upper Disincentive Parameters used in the fulfillment of RIM Sharia Giro and RIM Sharia Giro to be 0 (zero) for a period of 1 (one) year, from 1 May 2020 to 30 April 2021. Adjust the PLM settings as follows: <ol style="list-style-type: none"> The amount of PLM becomes 6% (six percent) of BUK DPK in rupiah. For BUK that owns UUS, the amount of BUK DPK in rupiah includes UUS DPK in rupiah. On the first working day after this PADG Amendment of RIM and PLM comes into effect, the PLM as referred to in number 1) is at least 2% (two percent) of BUK DPK in rupiah fulfilled in the form of securities and/or sharia securities with the type of SBN purchased. in the primary market by means of private placement. On the first business day after this PADG Change of RIM and PLM comes into effect, the value of SBN purchased on the primary market by means of a private placement used in the PLM calculation is equal to the settlement value from the results of the private placement. The settlement value used is the fund settlement value paid by the Bank for the purchase of SBN (cash proceeds). Under certain conditions, securities may be used in repo transactions to Bank Indonesia in open market operations. The use of BUK securities in repo transactions is set at a maximum of 6% (six percent) of BUK DPK in rupiah. Adjustment of PLM Syariah settings as follows: <ol style="list-style-type: none"> The amount of PLM Sharia becomes 4.5% (four point five percent) of the DPK BUS in rupiah. On the first working day after this PADG Amendment RIM and PLM comes into effect, the Sharia PLM as referred to in number 1) is at least 0.5% (zero point five percent) of the DPK BUS in rupiah fulfilled in the form of sharia securities with the type of SBSN purchased. in the primary market by means of private placement. On the first working day after this PADG Amendment of RIM and PLM comes into effect, the value of SBSN purchased in the primary market by means of a private placement used in the calculation of PLM Sharia is equal to the settlement value from the results of the private placement. The settlement value used is the fund settlement value paid by the Bank for the purchase of SBSN (cash proceeds). Under certain conditions, sharia securities can be used in repo transactions to Bank Indonesia in sharia open market operations. The use of BUS securities in repo transactions is stipulated at a maximum of 4.5% (four point five percent) of BUS DPK in rupiah. 	<ul style="list-style-type: none"> The Bank made adjustments related to treasury policies for both conventional and sharia. Bank Jatim received leniency due to the elimination of RIM's statutory reserve requirement in response to the COVID-19 pandemic, which had an impact on slowing the growth of credit disbursement.

The changes to the laws and regulations described above did not have a significant quantitative impact on the operational activities of Bank Jatim.

Changes in Accounting Policy

Changes in accounting policies were made to comply with the Statement of Financial Accounting Standards (PSAK) in effect in the current year. Following are the revisions, amendments and adjustments to the Financial Accounting Standards (SAK) as well as the interpretation of the SAK to be effective for the financial year starting on or after January 1, 2020, namely:

- PSAK 71: Financial Instruments;
- PSAK 72: Revenue from Contracts with Customers;
- PSAK 73: Leases;
- PSAK 62 [Amendment 2017]: Insurance Contract concerning Applying PSAK 71: Financial Instruments with PSAK 62: Insurance Contracts;
- PSAK 15 [Amendments 2017]: Investments in Associates and Joint Ventures concerning Long-Term Interests in Associates and Joint Ventures;
- PSAK 71 [Amendment 2018]: Financial Instruments concerning Early Repayment Features with Negative Compensation;
- ISAK 35: Presentation of Financial Statements for Non-Profit Oriented Entities;
- PSAK 1 [2019 Annual Amendments and Adjustments]: Presentation of Financial Statements;
- PSAK 25 [Amendments to 2019]: Accounting Policies, Changes in Accounting Estimates and Errors;
- PSAK 102 [Revised 2019]: Murabaha Accounting;
- ISAK 101: Recognition of Tangguh Murabahah Income without Significant Risk related to Inventory Ownership;
- ISAK 102: Impairment of Murabahah Receivables;
- ISAK 36: Interpretation of the Interaction between Provisions regarding Land Rights in PSAK 16: Fixed Assets and PSAK 73: Leases;
- PPSAK 13: Withdrawal of PSAK 45: Financial Reporting of Non-Profit Entities; and
- Amendment PSAK 71, Amendment PSAK 55, Amendment PSAK 60, concerning Interest Rate Reference Reform.

Except for the changes described below, the implementation of these standards did not result in a substantial change in the Bank's accounting policies and had no material impact on the financial statements in the current year or the previous year.

PSAK 71: FINANCIAL INSTRUMENTS

PSAK 71 replaces PSAK 55 (Revised 2014) "Financial Instruments: Recognition and Measurement" and introduces

The impact of the initial application of PSAK 73 on the opening balances for asset rights use and lease liabilities is as follows:

Table of Impact of Early Implementation of PSAK 73

(in IDR million)

Description	January 1, 2020		
	Before Adjustments	Adjustments to PSAK 73	After Adjustments
STATEMENT OF FINANCIAL POSITION			
ASSET			
Prepaid expenses	285,522	(68,997)	216,525
Fixed assets - user rights assets after accumulated depreciation	1,595,455	208,205	1,803,660

new arrangements for the classification and measurement of financial instruments based on the assessment of business models and contractual cash flows, recognizing and measuring allowance for impairment losses on financial instruments using a loss model. expected credit, which replaces the existing credit loss model and provides a simpler approach to hedge accounting. The Bank has made early adoption of PSAK 71 in 2018.

PSAK 73: Leases

PSAK 73 supersedes PSAK 30: "Leases", which requires the Bank as the lessee to recognize lease assets and lease liabilities related to lease transactions previously classified as operating leases under PSAK 30, except for short-term leases or leases with low-value assets.

The Bank has implemented PSAK 73 using a modified retrospective approach without restatement of the comparative period. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Bank's incremental loan interest rate on January 1, 2020. Useful assets are measured at the same amount as the lease liabilities adjusted with the amount of prepayments or lease payments accrued in connection with the lease recognized in the statement of financial position as of December 31, 2019.

On the initial determination date, the Bank also adopted several practical policies as follows:

- Using a single discount rate on lease portfolios with fairly similar characteristics.
- Rely on previous assessments of whether leases are onerous as an alternative to undertaking an impairment review, that there are no aggravating contracts as of 1 January 2020.
- Choosing not to apply the requirements for leases whose lease term ends in 12 (twelve) months from the date of initial application. Record these leases in the same manner as short-term leases and include the costs associated with those leases in the disclosure of short-term lease expenses in the annual reporting period covering the date of initial application.

Description	January 1, 2020		
	Before Adjustments	Adjustments to PSAK 73	After Adjustments
LIABILITIES			
Lease liabilities		139,208	139,208

Health Level of The Bank

The soundness level of the Bank was assessed based on the POJK. 4/POJK.03/2016 concerning Assessment of the Soundness of Commercial Banks using a risk-based bank rating. Assessment of bank soundness was carried out on bank risk and performance which could be seen from the final rating of the assessment results.

Assessment of the soundness of a bank uses a risk approach (risk based bank rating) which includes 4 (four) risk factors, namely:

1. Risk Profile
2. Good Corporate Governance (GCG)
3. Rentability (Earnings)
4. Capital

Table of Bank Jatim Soundness Level Position December 31, 2020 (self assessment)

Assessment Factors	Rating Per 31 December 2019	Rating Per 31 December 2020
Risk Profile	Rating 2	Rating 2
Good Corporate Governance (GCG)	Rating 3	Rating 3
Rentability	Rating 2	Rating 2
Capital	Rating 2	Rating 2
Composite Rating	Rating 2 (Healthy)	Rating 2 (Healthy)

Business Continuity Information

Things That Potential Significant Effect on Business Sustainability

The COVID-19 pandemic that occurred in 2020 has an impact on business performance although in general the impact is not very significant. This is reflected in the financial performance that is still growing throughout 2020 supported by the Bank's business culture, which mostly targets Civil Servants (PNS).

To further reduce the impact on business performance, various things were done to reduce the impact of the COVID-19 pandemic, either directly or indirectly. Among them were through limiting operational activities and implementing strict health protocols in the Bank's work environment, adjusting the current year business strategy through reformulating performance targets and classifying priority business sectors for credit distribution, implementing the National Economic Recovery (PEN) policy through the implementation of credit restructuring and credit distribution, as well as distribution of Corporate Social Responsibility (CSR) related to public health.

Management Assessment Things That Affect Significant Affect To Business Sustainability

The Bank periodically evaluated matters relating to the sustainability of the Bank's business in the future. This evaluation was reflected through the composite score of Bank Soundness Level (TKB) which was classified as healthy even during the pandemic. Based on the evaluation results, there were no matters that had a significant effect on the continuity of the Bank's business.

Assumptions Used by Management in Conducting The Assessment

Several assumptions that are taken into account by the Bank in assessing the sustainability of the Bank's business include the following:

1. Bank soundness, which included assessment of risk profile, profitability/earnings performance, capitalization and implementation of Good Corporate Governance (GCG).
2. Global, national and regional economic analysis
3. Competitiveness analysis which included a matrix of Strength, Weakness, Opportunities and Challenges (SWOC), analysis of Segmentation, Targeting and Positioning (STP) and the position of the Bank in facing business competition.

Taxation Aspect

Tax Payment Publications

Bank Jatim in its operational activities implemented Good Corporate Governance which was carried out in a transparent and accountable manner, especially in managing its tax rights and obligations, tax rights and obligations were carried out in accordance with applicable regulations.

Payment of Taxes

Total tax payments for the period January to December 2019 and 2020 are presented as follows.

Table of Payment of Taxes

Tax Description	(in full IDR)	
	Year 2020	Year 2019
Income Tax Article 25	364,312	473,865
Income Tax Article 29	57,631	14,461
Income Tax Article 21	111,061	114,814
Income Tax Article 23/26	23,974	19,341
Income Tax Article 4 ayat (2)	160,836	124,593
Income tax	809	384
Total	718,624	747,459

Non-Compliance with Tax Payments

In the 2020 period, there was no non-compliance with Bank Jatim in paying taxes (NIL).

Response to Changes in The Direction of The Monetary Policy

The policy of lowering the benchmark interest rate by Bank Indonesia during 2020 continued to be carried out in an effort to strengthen policy synergy to build optimism for national economic recovery from the impact of the COVID-19 pandemic that occurred since the beginning of 2020. Opening of productive and safe economic sectors of COVID -19, acceleration fiscal stimulus, distribution of bank credit from the demand and supply side, monetary and macroprudential stimulus, as well as accelerating economic and financial digitization were all efforts to support economic recovery. Bank Indonesia set the BI 7-Day Reverse Repo Rate (BI7DRR) position at 3.75%, the Deposit Facility rate at 3.00%, and the Lending Facility rate at 4.50% at the end of 2020 consistent with the forecast of constant low inflation and maintained external stability. Meanwhile, the United States (US) Federal Reserve, until the end of 2020, set its benchmark interest rate at a record low level near zero and expects it to remain in the target range of 0-0.25% at least until 2023.

In line with the accommodative monetary and macroprudential policies pursued by Bank Indonesia, conditions for banking liquidity remained loose, prompting interest rates to continue to decline and supporting economic financing. As of December

2020, Bank Indonesia increased liquidity (quantitative easing) in the banking sector by around IDR694.87 trillion, mainly due to a decrease in the statutory reserve requirement (GWM) of around IDR155 trillion and a monetary expansion of around IDR524.07 trillion.

The condition of banking liquidity during 2020 was considered to be quite ample, apart from the growth in deposits, it was also due to credit and financing growth that had not been maximized, especially in the conditions of the COVID-19 pandemic that occurred during 2020. The government prepared policies and stimuli for banks and the wider community in the context of The recovery of the national economy, among others, was the stimulus of credit interest rates, relaxation of credit installment payments, the provision of direct cash assistance and incentives for certain banking aspects. These were the things that kept banking liquidity at bay.

The average Macroprudential Intermediation Ratio (RIM) for 2020 was maintained at 65.13%. In addition, there was a government stimulus in the form of the National Economic Recovery Fund (PEN), which had an impact on increasing

bank liquidity. Other liquidity indicators in the form of Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and fulfillment of the Macroprudential Liquidity Buffer (PLM) were also maintained in a sufficient range.

In line with the downward trend in Bank Indonesia's benchmark interest rate, Bank Jatim also responded by adjusting the deposit and loan interest rates which were decided selectively at the Asset And Liability Management Committee (ALCO) Meeting while still paying attention to the achievement of Bank Jatim's profit targets in 2020, including by optimizing the increase in credit volume, maintaining cost of funds and increasing revenue from fee-based income transactions as well as efficiency in overhead costs.

The potential reduction in yield of bank loans as a result of the response to lower interest rates remained balanced with efforts to increase credit volume during 2020 which increased by 8.20% YoY to IDR41.48 trillion and a focus on credit growth by maintaining asset quality, especially during the pandemic. COVID-19. Bank Jatim TPF in 2020 grew by 9.16% YoY to IDR68.46 trillion. Deposits growth that was higher than credit growth increased bank liquidity, thereby lowering the Loan to Deposit Ratio from 61.12% to 60.58%. The Bank's Asset Performance also increased by 10.47% from the previous year to IDR83.59 trillion. The Bank continued to optimize business performance by continuing to make improvements and business development along with policy adjustments that supported in improving the quality of business processes.

Interest Rate on Credit

The Prime Lending Rate (SBDK) was used as the basis for determining the loan interest rate that would be charged by customers. Prime Lending Rate did not take into account the risk premium estimation component, the amount of which depended on the Bank's assessment of the risk of each debtor or group of debtors. Thus, the amount of credit interest rate charged to debtors was not necessarily the same as the prime lending rate. Non-KPR consumption credit did not include provision of funds through credit cards and unsecured credit (KTA).

Prime Lending Rate information that was valid at any time could be seen in the publication at each Bank office and/or the Bank's website if the bank had a website (included only for publication through newspapers).

Table of Prime Lending Rate

Bank Jatim Basic Credit Interest Rate as of December 2020				
Based on Business Segments				
Corporate Credit	Retail Credit	Micro Credit	Consumption Credit	
			KPR	Non KPR
6.16%	7.17%	11.82%	7.43%	8.89%

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 2020

Tier	Interest Rate
SIMPEDA	
0 - < IDR250 thousand	0,00%
IDR250 thousand - < IDR7,5 million	1,00%
IDR7,5 million - < IDR100 million	1,25%
≥ IDR100 million	1,50%
SIKLUS	
0 - < IDR500 thousand	0,00%
IDR500 thousand - < IDR7,5 million	1,00%
IDR7,5 million - < IDR100 million	1,25%
IDR100 million - < IDR1 billion	1,50%
≥ IDR1 billion	1,75%
SIKLUS CERIA	
Siklus Bunga Plus	(Tenor 1 - 60 Bulan)
Gadgets/Electronics Gifts, Motor Vehicles, Others	3.50% goods and 0.50% interest at the end of the period

Tier	Interest Rate
SIKLUS MIKRO KECIL (SIUMI)	
0 - IDR500 thousand	0,00%
> IDR500 thousand	1,50%
SIKLUS NELAYAN (SINYAL)	
0 - IDR500 thousand	0,00%
> IDR500 thousand	0,50%
HAJI	
All Nominal	1,00%
TABUNGANKU	
0 - IDR500 thousand	0,00%
>IDR500 thousand - IDR1 million	0,25%
>IDR1 million	1,0%
SIKLUS PRIORITAS	
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%
SIMPANAN LAKU PANDAI	
All Nominal	0,50%
SIKLUS VALAS	
United States Dollar	
< USD100	0,05%
≥ USD100 < USD10.000	0,10%
≥ USD10.000 < USD50.000	0,20%
≥ USD50.000 < USD100.000	0,25%
≥ USD100.000	0,30%
SGD	
< SGD100	0,00%
≥ SGD100 < SGD10.000	0,15%
≥ SGD10.000 < SGD100.000	0,25%
≥ SGD100.000	0,50%
EUR	
0 - EUR300	0,00%
> EUR300	0,10%
JPY	
All Nominal	0,00%
HKD	
Seluruh Nominal	0,00%

Table of Time Deposit Interest Rates per December 2020

Tier	Tenor (Month)						
	1 Month	2 Month	3 Month	6 Month	12 Month	18 Month	24 Month
≥IDR2.5 million – IDR1 billion	4,00% pa	4,00% pa	4,25% pa	4,25% pa	4,25% pa	4,25% pa	4,25% pa
>IDR1 billion	4,25% pa	4,25% pa	4,50% pa	4,25% pa	4,25% pa	4,25% pa	4,25% pa

Table of Foreign Exchange Interest Rates Per December 2020

Tier	Tenor (Month)			
	1 Month	3 Month	6 Month	12 Month
USD				
<100.000	0,50% pa			
≥100.000 ^{*1}	0,60% 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			

*) Above the counter rate, the branch requests Head Office approval

Table of Current Account Interest Rate Per December 2020

Tier	Interest rate
RUPIAH	
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%
FOREIGN EXCHANGE	
USD Foreign Currency Giro	
Individual ≥USD10.000	0,25%
Company ≥USD25.000	0,25%
SGD Foreign Currency Giro	
<SGD1.000	0,00%
>SGD1.000- 20.000	0,15%
>SGD20.000	0,25%
EUR Foreign Currency Giro	
EUR	0,10%
JPY Foreign Currency Giro	
JPY	0,00%

Prohibitions, Limitations and/or Significant Obstacles To Provision Of Funds Between Bank and Other Entities In A Business Group

In carrying out its business activities, Bank Jatim established policies that included limits on the provision of funds to related parties in accordance with the Regulation of the Financial Services Authority of the Republic of Indonesia Number 32/POJK.03/2018 concerning the Legal Lending Limit (BMPK) and the Provision of Large Funds for Commercial Banks and

POJK No. 38 /POJK.03/2019 About Amendments to POJK No. 32/POJK.03/2018 concerning LLL and Provision of Large Funds for Commercial Banks. Related parties are individuals or companies that have a controlling relationship with the Bank, either directly or indirectly, through ownership, management and/or financial relationships.

Table of Provision of Fund for Related Parties in 2020

No	Provider of Funds	Total	
		Number of Account (NoA)	Nominal (in IDR million)
1	To Related Parties	131	288,324
2	To the 50 Core Debtors		
	Individual	50	5,766,202
	Group		
	Total Core Debtors	50	5,766,202

Table of Total Provision of Bank Funds to Related Parties in 2020

(in IDR million)

Uraian	Nominal 2020
Capital On Report Date	8,958,467
LLL (10% of Capital) on the Reporting Date	895,846
Outstanding Related Parties	288,324
Allowance for the LLL BMPK	607,522
Exceeding the LLL BMPK	Nil

Derivative Transactions

Derivative receivables are classified as financial assets classified at fair value through profit or loss, while derivative liabilities are classified as financial liabilities classified at fair value through profit or loss. Derivative instruments (including foreign currency transactions for financing and trading purposes) are presented at their fair value which is determined

based on market prices using Reuters rates at reporting date or discounted cash flow method and recorded in the consolidated statements of financial position. Derivative receivables are stated at the unrealized gain on the derivative contract, net of allowance for impairment losses. Derivative payables are stated at the unrealized loss from derivative contracts.

Table of Spot and Derivative Transaction Report as of December 31, 2020

(in IDR million)

No	TRANSACTION	BANK				
		Notional Value	Purpose		Derivative Receivables and Liabilities	
			Trading	Hedging	Bill	Obligation
A.	ASSOCIATED WITH EXCHANGE RATES					
1.	Spot	-	-	-	-	-
2.	Forward	-	-	-	-	-
3.	Option	-	-	-	-	-
	a. Sell	-	-	-	-	-
	b. Buy	-	-	-	-	-
4.	Future	-	-	-	-	-
5.	Swap	-	-	-	-	-
6.	Others	-	-	-	-	-
B.	RELATED TO INTEREST RATES					
1.	Forward	-	-	-	-	-
2.	Option	-	-	-	-	-
	a. Sell	-	-	-	-	-
	b. Buy	-	-	-	-	-
3.	Future	-	-	-	-	-
4.	Swap	-	-	-	-	-
5.	Others	-	-	-	-	-
C.	Others					
	Total	-	-	-	-	-

Risk Management Practices

In accordance with the complexity of its business, the Bank has managed 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 of Corporate Governance in this Annual Report.

Quantitative Disclosure Of Risk Exposure

Based on the Regulation of the Financial Services Authority (POJK) Number 37 / POJK.03 / 2019 and Circular Letter of the OJK Number 9 / SEOJK.03 / 2020 concerning Transparency and Publication of Bank Reports and POJK Number 18 / POJK.03 / 2016 concerning the 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. For specific credit risk exposures such as individual credit, inter-bank facilities and so on, the Bank conducts its own evaluation using factors that may differ according to the specific characteristics of each type of exposure. In managing credit risk, the Bank has a credit policy and guidelines, which are updated periodically, while still based on the principles 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 in the statement of financial position and administrative accounts, is assessed without taking into account collateral held or other credit protections. As of December 31, 2020 and 2019, the disclosure of maximum credit risk based on concentration before calculating the collateral held and the master netting agreement is as follows:

CREDIT RISK CONCENTRATION BASED ON GEOGRAPHICS

Table of Credit Risk Concentration Based on Geographics in 2020

(in iDR million)

Description	31 December 2020					
	East Java	Java other than East Java	Sumatra	Kalimantan	Others	Total
FINANCIAL POSITION						
Current accounts with Bank Indonesia	-	3,659,968	-	-	-	3,659,968
Current accounts with other banks	-	237,662	-	-	-	237,662
Placements with Bank Indonesia and other banks	1,152,000	2,673,067	538,000	449,000	2,071,796	6,883,863
Securities						
Amortized cost	-	10,914,521	-	-	-	10,914,521
Fair value through other comprehensive income	-	3,744,098	-	-	-	3,744,098
Securities sold under a repurchase agreement	-	-	-	-	-	-
Securities purchased under an agreement to be resold	-	12,573,044	-	-	-	12,573,044
Other bills	131,932	-	-	-	-	131,932
Credit given						
Working capital	7,109,996	471,777	50,448	3,347	3,961	7,639,529
Investment	3,434,953	1,802,632	149,990	423,752	-	5,811,327
Consumption	26,403,793	140,185	30,673	-	538	26,575,189
Interest income will still be received	540,618	12,327	817	1,096	162	555,020
Total	38,773,292	36,229,281	769,928	877,195	2,076,457	78,726,153
ADMINISTRATIVE ACCOUNT						
Unused credit facilities granted to customers	2,318,875	1,324,543	9,232	74,811	-	3,727,461
Bank guarantee issued	1,061,752	-	-	-	-	1,061,752
Total	3,380,627	1,324,543	9,232	74,811	-	4,789,213

Table of Credit Risk Concentration Based on Geographics in 2019

(in IDR million)

Description	31 December 2019					
	East Java	Java other than East Java	Sumatra	Kalimantan	Others	Total
FINANCIAL POSITION						
Current accounts with Bank Indonesia	-	5,734,527	-	-	-	5,734,527
Current accounts with other banks	-	111,454	-	-	-	111,454
Placements with Bank Indonesia and other banks	9,483	10,763,402	539,744	124,953	549,645	11,987,227
Securities						
Amortized cost	13,735	9,438,971	-	100,000	-	9,552,706
Fair value through other comprehensive income	-	10,365	-	-	-	10,365
Securities sold under a repurchase agreement	-	1,038,432	-	-	-	1,038,432
Securities purchased under an agreement to be resold	-	5,837,520	-	-	-	5,837,520
Other bills	81,265	-	-	-	-	81,265
Credit given						
Working capital	7,236,359	278,703	30,350	2,153	2,355	7,549,920
Investment	3,318,664	740,448	189,600	291,976	-	4,540,688
Consumption	25,093,107	160,920	26,889	-	642	25,281,558
Interest income will still be received	408,070	6,946	600	750	54	416,420
Total	36,160,683	34,121,688	787,183	519,832	552,696	72,142,082
ADMINISTRATIVE ACCOUNT						
Unused credit facilities granted to customers	2,391,950	1,222,031	29,438	206,845	-	3,850,264
Bank guarantee issued	2,338,026	-	-	-	-	2,338,026
Total	4,729,976	1,222,031	29,438	206,845	-	6,188,290

CREDIT RISK CONCENTRATION BY INDUSTRY SECTOR

Table of Credit Risk Concentration by Industrial Sector in 2020

(in IDR million)

Description	31 December 2020					
	Government and Bank Indonesia	Non-Bank Financial Institutions	Bank	Other companies	Individual	Total
FINANCIAL POSITION						
Current accounts with Bank Indonesia	3,659,968	-	-	-	-	3,659,968
Current accounts with other banks	-	-	237,662	-	-	237,662
Placements with Bank Indonesia and other banks	6,883,863	-	-	-	-	6,883,863
Derivative spot receivables	-	-	-	-	-	-
Securities						
Amortized cost	5,704,783	-	326,546	4,883,193	-	10,914,521
Fair value through other comprehensive income	3,744,098	-	-	-	-	3,744,098
Securities sold under a repurchase agreement	-	-	-	-	-	-
Securities purchased under an agreement to be resold	-	-	12,573,044	-	-	12,573,044

Description	31 December 2020					
	Government and Bank Indonesia	Non-Bank Financial Institutions	Bank	Other companies	Individual	Total
Other bills	-	-	-	-	131,932	131,932
Credit given						
Working capital	405	167,702	302,647	3,302,742	3,866,033	7,639,529
Investment	69,490	1,319	-	4,730,213	1,010,305	5,811,327
Consumption	-	-	-	2,559	26,572,630	26,575,189
Interest income will still be received	354	1,364	621	92,095	460,586	555,020
Total	20,062,961	170,385	13,440,520	13,010,802	32,041,486	78,726,153
ADMINISTRATIVE ACCOUNT						
Unused credit facilities granted to customers	-	-	223,300	-	3,504,161	3,727,461
Bank guarantee issued	-	-	-	-	1,061,752	1,061,752
Total	-	-	223,300	-	4,565,913	4,789,213

Table of Credit Risk Concentration by Industrial Sector in 2019

(in IDR million)

Description	31 December 2019					
	Government and Bank Indonesia	Non-Bank Financial Institutions	Bank	Other companies	Individual	Total
FINANCIAL POSITION						
Current accounts with Bank Indonesia	5,734,527	-	-	-	-	5,734,527
Current accounts with other banks	-	-	111,454	-	-	111,454
Placements with Bank Indonesia and other banks	11,987,227	-	-	-	-	11,987,227
<i>Derivative spot receivables</i>	-	-	-	-	-	-
Securities						
Amortized cost	5,061,634	-	411,796	4,079,276	-	9,552,706
Fair value through other comprehensive income	10,365	-	-	-	-	10,365
Securities sold under a repurchase agreement	1,038,432	-	-	-	-	1,038,432
Securities purchased under an agreement to be resold	-	-	5,837,520	-	-	5,837,520
Other bills	-	-	-	-	81,265	81,265
Credit given						
Working capital	-	157,167	155,831	3,654,386	3,582,536	7,549,920
Investment	95,667	1,087	-	3,493,898	950,036	4,540,688
Consumption	-	-	-	-	25,281,558	25,281,558
Interest income will still be received	459	959	503	50,604	363,895	416,420
Total	23,928,311	159,213	6,517,104	11,278,164	30,259,290	72,142,082
ADMINISTRATIVE ACCOUNT						
Unused credit facilities granted to customers	-	-	76,900	-	3,773,364	3,850,264
Bank guarantee issued	-	-	-	-	2,338,026	2,338,026
Total	-	-	76,900	-	6,111,390	6,188,290

CREDIT RISK MEASUREMENT

Estimating credit exposure for risk management purposes is complex and requires the use of models, because exposure varies with changing market conditions, expected cash flows and the passage of time. The credit risk assessment of the asset portfolio requires further estimation of the likelihood of default, the associated loss ratio and the correlation of defaults between counterparties. Banks measure credit risk using 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 Loss (ECL) under PSAK 71.

ECONOMIC VARIABLE ASSUMPTIONS

The most significant period end assumptions used for the ECL estimate as of December 31, 2020 are described below. The “base”, “upside” and “downside” scenarios are used for all portfolios.

Table of Economic Variable Assumptions

Economic Variables	Scenario	2021	2022	2023
Inflation (%)	Base	2.05	2.14	2.20
	Upside	3.53	3.63	3.60
	Downside	(0.21)	(0.14)	(0.16)
Exchange Rate (IDR/USD)	Base	14,539.75	14,120.47	14,204.12
	Upside	12,625.29	12,766.65	12,881.96
	Downside	16,134.96	16,181.98	17,022.43
Interest Rate (%)	Base	3.98	4.23	4.24
	Upside	2.90	3.13	3.15
	Downside	5.64	5.90	5.90
Crude oil (USD/ Barrel)	Base	64.65	63.46	60.63
	Upside	43.59	43.34	41.28
	Downside	96.72	94.10	90.11
Gold (USD/oz)	Base	1,642.84	1,606.80	1,604.69
	Upside	1,457.77	1,423.25	1,424.35
	Downside	1,924.65	1,886.28	1,879.30
Unemployment Rate (%)	Base	6.01	5.83	5.84
	Upside	5.58	5.43	5.45
	Downside	6.66	6.46	6.43
Property Price Level (%)	Base	209.95	210.38	211.08
	Upside	225.67	225.99	226.56
	Downside	186.01	186.59	187.52
Gross domestic product (%)	Base	1.18	1.64	1.54
	Upside	3.36	3.81	3.68
	Downside	(2.15)	(1.66)	(1.72)

The weights assigned to each economic scenario as of December 31, 2020 are as follows:

Table of Weights Assigned For Each Economic Scenario

(in IDR million)

Peer group	Scenario	Base	Upside	Downside
Public administration, defense and social security sector compulsory - International agencies and others	Stage 1	0.95% - 4.36%	0.95% - 4.36%	0.95% - 4.36%
	Stage 2	17.78% - 26.64%	17.78% - 26.61%	17.78% - 26.65%
	Stage 3	26.65%	26.65%	26.65%
Household sector - Other non-business sectors	Stage 1	0.01% - 0.72%	0.01% - 0.94%	0.002% - 0.45%
	Stage 2	0.82% - 2.63%	0.53% - 1.68%	1.06% - 3.08%
	Stage 3	3.46%	3.46%	3.46%

Peer group	Scenario	Base	Upside	Downside
Processing industry sectors	Stage 1	0.01% - 0.15%	0.01% - 0.13%	0.01% - 0.16%
	Stage 2	3.90% - 16.97%	3.58% - 14.37%	4.12% - 18.73%
	Stage 3	33.88%	33.88%	33.88%
Health services and social activities sector - Education services sector - Community services sector, socio-culture, entertainment and other individuals	Stage 1	0.04% - 0.07%	0.04% - 0.07%	0.04% - 0.07%
	Stage 2	6.01% - 15.95%	6.01% - 13.94%	6.01% - 19.34%
	Stage 3	32.27%	32.27%	32.27%
Individual services which serve households	Stage 1	0.04% - 0.07%	0.04% - 0.07%	0.04% - 0.07%
	Stage 2	6.01% - 15.95%	6.01% - 13.94%	6.01% - 19.34%
	Stage 3	32.27%	32.27%	32.27%
Limit activities that are not yet clear	Stage 1	0.001% - 0.002%	0.001% - 0.002%	0.001% - 0.002%
	Stage 2	0.19% - 0.49%	0.19% - 0.43%	0.19% - 0.60%
	Stage 3	1.00%	1.00%	1.00%
Accommodation, food and beverages	Stage 1	0.01% - 0.31%	0.01% - 0.23%	0.02% - 0.49%
	Stage 2	4.73% - 20.67%	3.93% - 17.19%	6.15% - 25.57%
	Stage 3	34.05%	34.05%	34.05%
Financial intermediary	Stage 1	0.0071% - 0.0024%	0.0046% - 0.0015%	0.014% - 0.0048%
	Stage 2	4.74% - 15.95%	3.90% - 26.59%	6.24% - 7.39%
	Stage 3	38.42%	38.42%	38.42%
Wholesale and retail	Stage 1	0.71% - 4.88%	0.60% - 4.36%	0.79% - 5.25%
	Stage 2	21.67% - 35.88%	20.68% - 29.12%	22.31% - 69.51%
	Stage 3	36.62%	36.62%	36.62%
Transportation, warehousing and communications sector - electricity, gas and water - construction - mining	Stage 1	0.15% - 0.73%	0.07% - 0.42%	0.38% - 1.58%
	Stage 2	6.01% - 21.58%	4.22% - 13.19%	9.55% - 31.92%
	Stage 3	35.00%	35.00%	35.00%
Fishery sector - Agriculture, hunting and forestry sector	Stage 1	0.04% - 0.08%	0.03% - 0.06%	0.06% - 0.13%
	Stage 2	6.68% - 14.62%	5.80% - 10.89%	8.16% - 22.16%
	Stage 3	35.41%	35.41%	35.41%
Real estate, rental business and corporate services	Stage 1	0.24% - 0.18%	0.17% - 0.13%	0.38% - 0.30%
	Stage 2	22.36% - 43.79%	20.04% - 32.90%	25.99% - 54.34%
	Stage 3	55.76%	55.76%	55.76%
Multiguna Scheme	Stage 1	0.005% - 1.07%	0.003% - 0.74%	0.011% - 1.81%
	Stage 2	15.74% - 25.03%	13.22% - 20.74%	19.89% - 31.59%
	Stage 3	47.61%	47.61%	47.61%
Employee loan schemes	Stage 1	0.0004% - 0.2975%	0.0003% - 0.059%	0.01% - 2.13%
	Stage 2	18.10% - 32.14%	9.81% - 19.04%	32.14% - 43.66%
	Stage 3	45.29%	45.29%	45.29%
Al Mabur loan scheme	Stage 1	0.00% - 0.00%	0.00% - 0.00%	0.00% - 0.00%
	Stage 2	0.00% - 0.00%	0.00% - 0.00%	0.00% - 0.00%
	Stage 3	1.00%	1.00%	1.00%
Housing loan scheme	Stage 1	0.001% - 0.126%	0.001% - 0.118%	0.001% - 0.137%
	Stage 2	3.98% - 15.26%	3.86% - 14.77%	4.17% - 16.00%
	Stage 3	26.35%	26.35%	26.35%
Energy and Good Stability Loan Scheme	Stage 1	12.20% - 12.20%	12.19% - 12.17%	12.21% - 12.21%
	Stage 2	12.21% - 12.21%	12.21% - 12.21%	12.21% - 12.21%
	Stage 3	12.21%	12.21%	12.21%

Peer group	Scenario	Base	Upside	Downside
Cattle Breeding Business Loan Scheme	Stage 1	0.07% - 23.45%	0.06% - 22.61%	0.08% - 24.74%
	Stage 2	15.15% - 37.88%	14.43% - 32.29%	16.27% - 45.36%
	Stage 3	52.93%	52.93%	52.93%
Linkage BPR Credit Scheme	Stage 1	0.29% - 6.00%	0.29% - 6.00%	0.29% - 6.00%
	Stage 2	23.18% - 46.86%	23.18% - 44.86%	23.18% - 48.23%
	Stage 3	48.92%	48.92%	48.92%
People's Business Loans Scheme	Stage 1	0.02% - 0.21%	0.01% - 0.16%	0.03% - 0.32%
	Stage 2	3.43% - 10.87%	2.94% - 9.22%	4.26% - 13.26%
	Stage 3	17.87%	17.87%	17.87%
PRK Loan Scheme	Stage 1	0.02% - 0.26%	0.02% - 0.24%	0.02% - 0.28%
	Stage 2	7.03% - 50.19%	6.83% - 50.19%	7.35% - 50.19%
	Stage 3	50.19%	50.19%	50.19%

IMPAIRMENT EVALUATION

The following is the risk of financial assets based on the classification of impairment evaluation as of December 31, 2020 and 2019:

Table of Evaluation of Decrease in Demand Deposit Value at Other Banks

(in IDR million)

Description	31 December 2020				31 December 2019			
	Phase 1	Stage 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Indonesia Rupiah	160,654	-	-	160,654	41,699	-	-	41,699
Foreign currency	77,061	-	-	77,061	69,780	-	-	69,780
Total	237,715	-	-	237,715	111,479	-	-	111,479
Allowance for impairment losses	(53)	-	-	(53)	(25)	-	-	(25)
Net	237,662	-	-	237,662	111,454	-	-	111,454

Table of Evaluation of Impairment of Placement Value at Bank Indonesia and Other Banks

(in IDR million)

Description	31 December 2020				31 December 2019			
	Phase 1	Stage 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Indonesia Rupiah:								
Placements with Bank Indonesia	4,528,158	-	-	4,528,158	3,642,584	-	-	3,642,584
Interbank call money	1,036,000	-	-	1,036,000	6,025,000	-	-	6,025,000
Time deposit	1,320,500	-	-	1,320,500	2,322,000	-	-	2,322,000
Total	6,884,658	-	-	6,884,658	11,989,584	-	-	11,989,584
Allowance for impairment losses	(795)	-	-	(795)	(2,357)	-	-	(2,357)
Net	6,883,863	-	-	6,883,863	11,987,227	-	-	11,987,227

Table of Evaluation of Impairment of Securities

(in IDR million)

Description	31 December 2020				31 December 2019			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Indonesia Rupiah:								
Government Debt Securities	3,744,098	-	-	3,744,098	3,423,246	-	-	3,423,246
Bond	7,966,864	-	-	7,966,864	1,915,233	-	-	1,915,233

Description	31 December 2020				31 December 2019			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
State Treasury Bills (SPN)	-	-	-	-	297,606	-	-	297,606
Others	2,150,001	-	-	2,150,001	-	-	-	-
Bank Indonesia Sukuk	-	-	-	-	-	-	-	-
Bank Indonesia Certificate	317,412	-	-	317,412	1,351,147	-	-	1,351,147
Interbank Mudharabah Investment Certificate (SIMA)	-	-	-	-	200,000	-	-	200,000
Negotiable Certificate of Deposit	183,512	-	-	183,512	515,871	-	-	515,871
Medium Term Securities	205,187	-	-	205,187	244,000	-	-	244,000
Mutual Funds	80,000	-	-	80,000	1,609,000	-	-	1,609,000
Domestic Letter of Credit	19,664	-	-	19,664	11,955	-	-	11,955
Securities sold under a repurchase agreement	-	-	-	-	1,038,432	-	-	1,038,432
Money orders	-	-	-	-	-	-	-	-
Foreign currency:								
Export money orders	-	-	-	-	187	-	-	187
Total	14,666,738	-	-	14,666,738	10,606,677	-	-	10,606,677
Allowance for impairment losses	[8,118]	-	-	[8,118]	[5,174]	-	-	[5,174]
Net	14,658,620	-	-	14,658,620	10,601,503	-	-	10,601,503

Table of Evaluation of Impairment of Credit Value Given

(in IDR million)

Description	31 December 2020				31 December 2019			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Multipurpose credit	21,834,716	24,556	105,064	21,964,336	20,877,342	15,253	64,278	20,956,873
Working capital credit	2,617,206	98,288	501,674	3,217,168	2,718,342	84,207	301,678	3,104,226
Processing industry	736,497	21,204	54,382	812,082	4,147,763	19,168	336,837	4,503,767
Employee credit	2,128,751	6,808	8,972	2,144,531	1,980,624	733	6,228	1,987,585
Wholesale and retail trade	1,938,392	135,113	230,856	2,304,360	1,854,309	72,173	129,056	2,055,538
Home ownership credit	1,455,692	102,357	281,714	1,839,764	1,495,407	114,877	102,396	1,712,680
Community services, socio-cultural, entertainment and other individuals	1,367,786	13,148	40,102	1,421,036	897,523	25,507	26,253	949,283
Agriculture, hunting and forestry	912,886	23,521	56,349	992,756	758,034	27,341	22,796	808,171
Financial intermediary	449,235	15,328	16,424	480,987	397,707	894	1,351	399,953
Accommodation, food and beverages	157,157	5,097	9,158	171,413	159,289	4,408	2,671	166,368
Linkage program	267,595	-	267	267,862	157,901	-	267	158,168
Real estate, rental business and corporate services	24,805	3,945	12,464	41,214	27,597	402	10,680	38,680
Mining, construction, electricity and transportation	3,875,088	5,852	299,685	4,180,625	15,751	1,336	44,111	61,197
People's Business Loans	-	-	-	-	-	-	26,689	26,689
Individual services serving households	2,519	119	103	2,741	3,400	28	-	3,427
Not other businesses and households	27,289	17	-	27,306	7,894	-	-	7,894

Description	31 December 2020				31 December 2019			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Activities with unclear boundaries	1	-	-	1	638	-	-	638
Cow Breeding Business Credit	-	-	4,036	4,036	-	-	8,478	8,478
Food and Energy Security Credit	-	-	827	827	-	-	851	851
Others	360	-	-	360	-	-	-	-
	37,795,975	455,353	1,622,079	39,873,407	35,499,521	366,327	1,084,620	36,950,467
Allowance for impairment losses	(64,096)	(69,521)	(1,272,260)	(1,405,876)	(101,672)	(66,546)	(767,280)	(935,498)
Conventional - Net	37,731,879	385,832	349,819	38,467,530	35,601,193	432,873	317,340	36,014,969

Description	31 December 2020				31 December 2019			
	Not Impaired	Experience Impairment of Value		Total	Not Impaired	Experience Impairment of Value		Total
		Individual	Collective			Individual	Collective	
Sharia	1,485,184	122,175	-	1,607,359	1,361,694	40,139	-	1,401,833
Allowance for impairment losses	(27,939)	(20,905)	-	(48,844)	(18,785)	(25,851)	-	(44,636)
Sharia - Net	1,457,245	101,270	-	1,558,515	1,342,909	14,288	-	1,357,197
Total, net	39,189,124	487,102	349,819	40,026,045	36,944,102	447,161	317,340	37,372,166

Table of Movements in Allowance for Impairment Losses Based on Types of Loans Provided

(in IDR million)

Description	31 December 2020				31 December 2019			
	Working capital	Investment	Consumption	Total	Working capital	Investment	Consumption	Total
Balance at the beginning of the year	722,907	175,883	81,344	980,134	851,944	277,159	69,447	1,198,550
Current year allowance	301,717	70,445	194,510	566,672	258,782	18,142	84,482	361,406
Write-off for the current year	(64,263)	(6,794)	(21,028)	(92,085)	(387,820)	(119,417)	(72,585)	(579,822)
Balance December 31	960,361	239,534	254,826	1,454,721	722,906	175,884	81,344	980,134
Allowance for losses on loans that are individually impaired	823,353	183,774	149,687	1,156,814	614,067	129,156	12,103	755,326
Allowance for collective impairment losses on loans that are not impaired	137,008	55,760	105,139	297,907	108,839	46,728	69,241	224,808
Balance December 31	960,361	239,534	254,826	1,454,721	722,906	175,884	81,344	980,134

The table below shows the credit quality per type of financial instrument that is not yet due and is not impaired (excluding allowance for impairment losses):

Table of Credit Quality by Type of Financial Instruments that have not matured and have not experienced a decline in value in 2020

(in IDR million)

Description	31 December 2020				
	Not Due and Not Impaired in Value		Maturity but Not Impaired	Experience Impairment of Value	Total
	High level	Standard Level			
AMORTIZED COST					
Government Debt Securities	3,652,490	-	-	-	3,652,490
Bonds	8,058,472	-	-	-	8,058,472
State Treasury Bills (SPN)	-	-	-	-	-
Bank Indonesia Sukuk	-	-	-	-	-
Bank Indonesia Certificate	317,412	-	-	-	317,412
Interbank Mudharabah Investment Certificate (SIMA)	-	-	-	-	-
Negotiable Certificate of Deposit	183,512	-	-	-	183,512
Medium Term Notes	205,187	-	-	-	205,187
Mutual Funds	2,230,000	-	-	-	2,230,000
Domestic Letter of Credit	-	-	-	-	-
Capital market securities	-	-	-	-	-
Money orders	19,664	-	-	-	19,664
	14,666,737	-	-	-	14,666,737
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Government Debt Securities	3,744,098	-	-	-	3,744,098
AMORTIZED COST					
Current accounts with Bank Indonesia	3,659,968	-	-	-	3,659,968
Current accounts with other banks	237,715	-	-	-	237,715
Placements with Bank Indonesia and other banks	6,884,658	-	-	-	6,884,658
Reverse repo bill	12,573,044	-	-	-	12,573,044
Other bills	131,932	-	-	-	131,932
Credit given					
Working capital	-	7,611,583	-	988,307	8,599,890
Investment	-	5,805,066	-	245,794	6,050,860
Consumption	-	26,405,232	-	424,784	26,830,016
Interest income will still be received	-	555,020	-	-	555,020
Total	41,898,152	40,376,901	-	1,658,885	83,933,938
Allowance for impairment losses	-	(306,873)	-	(1,156,814)	(1,463,687)
Net	41,898,152	40,070,028	-	502,071	82,470,251

Table of Credit Quality by Type of Financial Instruments that have not matured and have not experienced a decline in value in 2019

(in IDR million)

Description	31 Desember 2019				
	Not Due and Not Impaired in Value		Maturity but Not Impaired	Experience Impairment of Value	Total
	High level	Standard Level			
AMORTIZED COST					
Government Debt Securities	3,412,881	-	-	-	3,412,881
Bonds	1,915,233	-	-	-	1,915,233
State Treasury Bills (SPN)	297,606	-	-	-	297,606
Bank Indonesia Sukuk	-	-	-	-	-
Bank Indonesia Certificate	1,351,147	-	-	-	1,351,147
Interbank Mudharabah Investment Certificate (SIMA)	200,000	-	-	-	200,000
Negotiable Certificate of Deposit	515,871	-	-	-	515,871
Medium Term Notes	244,000	-	-	-	244,000
Mutual Funds	1,609,000	-	-	-	1,609,000
Domestic Letter of Credit	11,955	-	-	-	11,955
Capital market securities	1,038,432	-	-	-	1,038,432
Money orders	187	-	-	-	187
	10,596,312	-	-	-	10,596,312
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Government Debt Securities	10,365	-	-	-	10,365
AMORTIZED COST					
Current accounts with Bank Indonesia	5,734,527	-	-	-	5,734,527
Current accounts with other banks	111,479	-	-	-	111,479
Placements with Bank Indonesia and other banks	11,989,584	-	-	-	11,989,584
Reverse repo bill	5,837,520	-	-	-	5,837,520
Other bills	81,265	-	-	-	81,265
Credit given					
Working capital	7,248,866	304,419	-	719,541	8,272,826
Investment	4,431,879	125,903	-	158,792	4,716,574
Consumption	24,944,800	235,693	-	182,407	25,362,900
Interest income will still be received	-	416,420	-	-	416,420
Total	70,986,597	1,082,435	-	1,060,740	73,129,772
Allowance for impairment losses	(90,047)	(142,316)	-	(755,327)	(987,690)
Net	70,896,550	940,119	-	305,413	72,142,082

Market Risk

Market risk is the risk that occurs in the position of the financial position statement and off-balance sheet accounts, due to changes in market variables. 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 relating to products and

services as well as treasury activities and risks inherent in the business. Interest rate risk arises from changes in the price of financial instruments from the trading book position or from changes in the economic value of the banking book position, due to changes in interest rates. In managing interest rate risk, exposure is carried out in the banking book, taking into account the position of the Bank's asset and liability gap that is sensitive to movements in interest rates that affect the stability of the Bank's profitability level.

The table below shows the average contractual interest rates per year for significant financial assets and liabilities as of 31 December 2020 and 2019:

Table of Average Annual Contractual Interest Rates for Significant Financial Assets and Liabilities

(in %)

Description	31 December 2020		31 December 2020	
	IDR	USD	IDR	USD
ASSET				
Current accounts with Bank Indonesia	2.67%	0.00%	2.00%	-
Current accounts with other banks	0.06%	0.02%	0.09%	0.00%
Placements with Bank Indonesia and other banks	4.50%	0.00%	4.25% - 7.5%	0.00%
Securities	6.36%	0.00%	5.30% - 10.0%	0.00%
Securities sold under a repurchase agreement	0.00%	0.00%	6.81%	0.00%
Securities purchased under an agreement to be resold	4.43%	0.00%	5.13%	0.00%
Credit given	0.75% - 21.57%	0.00%	3.00% - 28.88%	0.00%
LIABILITIES				
Deposits from customers	0.00% - 5.25%	0.00% - 0.60%	0.00% - 8.75%	0.00% - 0.50%
Deposits from other banks	0.00% - 6.50%	-	0.00% - 6.75%	-

The following table summarizes the Bank's exposure to interest rate risk (gross) which may impact future cash flows as of 31 December 2020 and 2019:

Table of Bank Exposure to Interest Rate Risk (Gross) in 2020

(in IDR million)

Description	31 December 2020					
	Floating Interest Rates					
	Not More Than 3 Months	3 Months But Not More Than 1 Year	1 Year and Over	Fixed Interest Rate	Not subject to interest	Total
FINANCIAL ASSETS	-	-	-	-	-	-
Cash	2,511,548	-	-	-	-	2,511,548
Current accounts with Bank Indonesia	3,659,968	-	-	-	-	3,659,968
Current accounts with other banks	237,715	-	-	-	-	237,662
Placements with Bank Indonesia and other banks	6,883,863	-	-	-	-	6,883,863
Securities						
Amortized cost	3,744,098	-	-	-	-	3,744,098
Fair value through other comprehensive income	3,418,969	3,113,559	4,381,993	-	-	10,914,521
Securities sold under a repurchase agreement	-	-	-	-	-	-
Securities purchased under an agreement to be resold	12,573,044	-	-	-	-	12,573,044
Other bills	131,932	-	-	-	-	131,932
Credit given						
Working Capital	-	-	-	8,599,890	-	8,599,890
Investment	-	-	-	6,050,860	-	6,050,860
Consumption	-	-	-	26,830,016	-	26,830,016
Interest income will still be received	14,213	26,898	513,909	-	-	555,020
Total financial assets	33,175,297	3,140,457	4,895,902	41,480,766	-	82,692,422

Description	31 December 2020					
	Floating Interest Rates					
	Not More Than 3 Months	3 Months But Not More Than 1 Year	1 Year and Over	Fixed Interest Rate	Not subject to interest	Total
FINANCIAL LIABILITIES						
Immediate liabilities	484,834	-	-	-	-	484,834
Deposits from customers						
Current Account	21,129,415	-	-	-	-	21,129,415
Savings	22,874,298	-	-	-	-	22,874,298
Time Deposits	-	-	-	24,464,567	-	24,464,567
Deposits from other banks	2,503,044	2,560	-	-	-	2,505,604
Loans received	-	565,461	-	-	65,895	631,356
Accrued expenses	484,930	-	-	-	-	484,930
Other liabilities	596,631	-	-	-	-	596,631
Total financial liabilities	48,073,152	568,021	-	24,464,567	65,895	73,171,635
Interest rate gap repricing, net	(14,897,855)	2,572,436	4,895,902	17,016,199	(65,895)	9,520,787

Table of Bank's Exposure to Interest Rate Risk (Gross) in 2019

(in IDR million)

Description	31 December 2019					
	Floating Interest Rates					
	Not More Than 3 Months	3 Months But Not More Than 1 Year	1 Year and Over	Fixed Interest Rate	Not subject to interest	Total
FINANCIAL ASSETS						
Cash	2,729,776	-	-	-	-	2,729,776
Current accounts with Bank Indonesia	5,734,527	-	-	-	-	5,734,527
Current accounts with other banks	111,454	-	-	-	-	111,454
Placements with Bank Indonesia and other banks	11,987,227	-	-	-	-	11,987,227
Securities						
Amortized cost	5,518,010	1,523,242	2,511,454	-	-	9,552,706
Fair value through other comprehensive income	10,365	-	-	-	-	10,365
Securities sold under a repurchase agreement	1,038,432	-	-	-	-	1,038,432
Securities purchased under an agreement to be resold	5,837,520	-	-	-	-	5,837,520
Other bills	81,265	-	-	-	-	81,265
Credit given						
Working Capital	-	-	-	8,272,825	-	8,272,825
Investment	-	-	-	4,716,573	-	4,716,573
Consumption	-	-	-	25,362,902	-	25,362,902
Interest income will still be received	11,712	26,464	378,244	-	-	416,420
Total financial assets	33,060,288	1,549,706	2,889,698	38,352,300	-	75,851,992
FINANCIAL LIABILITIES						
Immediate liabilities	357,565	-	-	-	-	357,565
Deposits from customers						
Current Account	23,825,878	-	-	-	-	23,825,878

Description	31 December 2019					
	Floating Interest Rates					
	Not More Than 3 Months	3 Months But Not More Than 1 Year	1 Year and Over	Fixed Interest Rate	Not subject to interest	Total
Savings	22,223,639	-	-	-	-	22,223,639
Time Deposits	-	-	-	14,496,355	-	14,496,355
Deposits from other banks	2,887,870	560	-	-	-	2,888,430
Loans received	-	1,847,139	-	-	23,107	1,870,246
Accrued expenses	433,507	-	-	-	-	433,507
Other liabilities	333,158	-	-	-	-	333,158
Total financial liabilities	50,061,617	1,847,699	-	14,496,355	23,107	66,428,778
Interest rate gap repricing, net	(17,001,329)	(297,993)	2,889,698	23,855,945	(23,107)	9,423,214

The following table shows the sensitivity to a possible one-point change in a reasonable interest rate, with all other variables held constant, in the Bank's statement of profit or loss and other comprehensive income. The sensitivity of the comprehensive income statement is the impact of changes in the interest rate assumptions on the statement of profit or loss and other comprehensive income for the period. The sensitivity of total profit or loss is based on the assumption that there is a parallel shift in the yield curve.

Sensitivity Table to Possible Change

(in IDR million)

Description	31 December 2020	
The effect on the statement of profit or loss and other comprehensive income	75,631	(75,631)

The Bank has exposure to interest rate risk in Singapore Dollars, United States Dollars, Euros and others. Exchange rate risk is the risk that the value of financial instruments will fluctuate due to changes in foreign 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 in the existing regulatory guidelines (namely maintaining the Net Open Position in accordance with Bank Indonesia regulations). As of December 31, 2020 and 2019, foreign currency exchange rates have no significant effect on the Bank.

Liquidity Risk

Liquidity risk is the risk due to the inability of the Bank to meet its maturing liabilities from cash flow funding sources and / or from high quality liquid assets that can be pledged as collateral without disrupting the activities and financial condition of the Bank. The Bank measures liquidity risk using the Liquidity Risk Model with the maturity profile gap methodology. Management of daily liquidity conditions is carried out by the Treasury Unit and external and macroeconomic changes that occur are promptly informed and taken of internal strategies and policies, among others through the Asset and Liabilities Committee (ALCO) mechanism.

The ratio of net liquid assets to customer deposits is as follows:

Table of Ratio of Net Liquid Assets to Customer Deposits

(in IDR million)

Description	31 December 2020	31 December 2019
Cash and cash equivalents	13,293,889	20,453,366
Securities sold under a repurchase agreement	-	1,038,432
Reverse repo bill	12,573,044	5,837,520
Deposits from other banks	(2,855,604)	(2,888,430)
Total	23,011,329	24,440,888

Description	31 December 2020	31 December 2019
Deposits from customers	68,468,280	60,545,872
The ratio of net liquid assets to deposits from customers	33,61%	40,37%

The following maturity table provides information regarding the estimated remaining maturities of financial assets and liabilities (principal only) as of December 31, 2020 and 2019:

Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Principal Only) Year 2020

(in IDR million)

Description	31 December 2020					
	Recorded Value	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 12 months
FINANCIAL ASSETS						
Cash	2,511,548	2,511,548	-	-	-	-
Current accounts with Bank Indonesia	3,659,968	1,527,977	-	-	-	2,131,991
Current accounts with other banks	237,662	237,662	-	-	-	-
Placements with Bank Indonesia and other banks	6,883,863	5,822,694	2,000	578,304	480,865	-
Securities						
Amortized cost	10,914,521	866,202	2,552,767	1,968,311	1,145,248	4,381,993
Fair value through other comprehensive income	3,744,098	3,744,098	-	-	-	-
Securities sold under a repurchase agreement	-	-	-	-	-	-
Securities purchased under an agreement to be resold	12,573,044	-	-	12,571,486	1,558	-
Other bills	131,932	131,932	-	-	-	-
Credit given						
Working Capital	8,599,890	784,138	625,967	1,139,899	1,766,926	4,282,960
Investment	6,050,860	68,415	19,678	53,313	19,890	5,889,564
Consumption	26,830,016	15,172	9,905	46,237	212,962	26,545,740
Interest income will still be received	555,020	61	14,152	13,564	13,334	513,909
Total	82,692,422	15,709,899	3,224,469	16,371,114	3,640,783	43,746,157
FINANCIAL LIABILITIES						
Immediate liabilities	484,834	484,834	-	-	-	-
Deposits from customers	68,468,280	18,730,556	8,245,590	1,350,984	3,359,959	36,781,191
Deposits from other banks	2,855,604	2,746,074	106,970	1,560	1,000	-
Loans received	631,355	239,680	14,084	35,292	-	342,299
Accrued expenses	484,666	484,930	-	-	-	-
Other liabilities	596,630	596,631	-	-	-	-
Total	73,521,634	23,282,705	8,366,644	1,387,836	3,360,959	37,123,490
Difference in maturity	9,170,788	(7,572,806)	(5,142,175)	14,983,278	279,824	6,622,667

Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Principal Only) in 2019

(in IDR million)

Description	31 December 2019					
	Recorded Value	Less than 1 month	1- 3 months	3 - 6 months	6 - 12 months	More than 12 months
FINANCIAL ASSETS						
Cash	2,729,776	2,729,776	-	-	-	-
Current accounts with Bank Indonesia	5,734,527	354,347	-	-	-	5,380,180
Current accounts with other banks	111,454	111,454	-	-	-	-
Placements with Bank Indonesia and other banks	11,987,227	10,940,567	1,046,660	-	-	-
Securities						
Amortized cost	9,557,880	2,572,907	2,948,092	306,494	1,217,573	2,512,814
Fair value through other comprehensive income	10,365	10,365	-	-	-	-
Securities sold under a repurchase agreement	1,038,432	1,038,432	-	-	-	-
Securities purchased under an agreement to be resold	5,837,520	5,837,520	-	-	-	-
Other bills	81,265	81,265	-	-	-	-
Credit given						
Working Capital	8,272,825	764,378	706,268	1,236,377	1,536,362	4,029,440
Investment	4,716,573	63,336	5,623	13,542	27,585	4,606,487
Consumption	25,362,902	5,320	8,058	47,130	244,604	25,057,790
Interest income will still be received	416,420	82	11,630	15,110	11,354	378,244
Total	75,857,166	24,509,749	4,726,331	1,618,653	3,037,478	41,964,955
FINANCIAL LIABILITIES						
Immediate liabilities	357,565	357,565	-	-	-	-
Deposits from customers	60,545,872	14,045,814	3,735,547	2,391,032	3,851,073	36,522,406
Deposits from other banks	2,888,430	2,575,500	312,370	60	500	-
Loans received	1,870,246	1,328,313	3,144	2,729	118,205	417,855
Accrued expenses	433,507	433,507	-	-	-	-
Other liabilities	538,275	333,158	-	-	-	-
Total	66,428,778	19,073,857	4,051,061	2,393,821	3,969,778	36,940,261
Difference in maturity	9,428,388	5,435,892	675,270	(775,168)	(932,300)	5,024,694



Human Capital



Reliable, loyal, and competent Human Capital (HC) is the main capital for the Bank in realizing its vision, mission, and business success. The Bank always prioritizes HC development, both individually and in team, as well as Corporate Culture development to build corporate culture as a business strategy in order to maintain its best performance in banking service business.





— Human Capital Management



Recruitment Policies and Implementation

In 2020, Bank Jatim selectively recruited new employees with the principle of Recruit Right to find prospective employees who had the potential and achievements to be placed in the right division in the Company. In general, there were not many recruits this year. Recruitment was only carried out in critical positions which could encourage business growth from the recruited experts. Recruitment was carried out selectively with various stages of multiskill screening so that the results of recruitment could make the Company's business stronger and could achieve brighter performance.

To support the above, it was necessary to carry out a Work Load Analysis (WLA), this was in line with the need for an analysis of the fulfillment of the number of employees of work units at each branch of Bank Jatim. The objectives of implementing the Work Load Analysis (WLA) are as follows:

- Bank Jatim was able to recruit new employees based on the results of WLA data and development of HR competencies;

- Human Capital Division could analyze the workload of each position in the existing unit and optimize the performance of available employees;
- The Human Capital Division assessed the needs of employees according to the expected criteria in accordance with the Bank's organizational structure and the bank's business plan.

The method used was the interview method which was carried out to the office holders and if the position was vacant or there were no personnel, then the interview was carried out on the personnel who were concurrently assigned this task, this was done at the main branch and sub-branch.

In 2020 there were 32 employees who resigned. As for recruitment, throughout 2020 Bank Jatim recruited 1 (one) new employee with competency in technology. In addition, Bank Jatim also recruited 5 (five) employees of the Work Association Contract (TKIK).

Table of Recruitment of Labor Association Contract Workers (TKIK)

Age	2020		2019		2018	
	Man	Woman	Man	Woman	Man	Woman
< 30 years old	5	-	1	-	1	-
30 – 50 years old	-	-	-	-	-	-
> 50 years old	-	-	-	-	-	-

Competency Development Policy and Implementation





The competency development program implemented by Bank Jatim in 2020 was based on priority criteria, namely programs whose results will have a major impact on the achievement of Bank Jatim business performance and which are absolutely needed by employees in carrying out their duties / jobs.

Competency development in the Bank Jatim environment is carried out in-house training, namely training held by Bank

Jatim, which is implemented in collaboration with external parties (vendors) as well as those held by Bank Jatim Internal parties and public training, namely training held by external parties / vendors.

During 2020, the Bank enrolled employees in education according to their positions and needs with a total of 2,169 participants.

TABLE OF BANK JATIM EMPLOYEE TRAINING 2020

Type of Training	Total Training	Number of participants
 Public Training	106	975
 In House Training	72	1176
 Board of Commissioners / Directors	12	10
 Certification Program	7	8

As a step in strengthening the IT field, the Bank conducted trainings in the IT field for employees. These trainings include:

No	Training Name	Number of participants
1	ABCD Public Training Trends: Indonesia Towards Industry 4.0	2
2	Agile Testing - Foundation	2
3	Cyber Security 4.0 Seminar	1
4	Microsoft Exchange Server	2
5	Zoominar IT Cyber Security in the Middle of the COVID-19 Pandemic	5
6	Online Training How To Use Design Thinking For Unlock Innovation Mindset	2
7	Online Training Through Microsoft Exchange Server Online	2
8	Online Training: "BPD Forum: Digital Transformation in the New Normal Era"	1
Total Number of Participants		17

In addition, the Bank also conducts trainings in other fields. The training includes:

No	Sector	Amount	Number of participants
1	Credit	23	853
2	Auditing	2	61
3	Career Management	1	34
4	Risk Management	8	162
5	Banking Operations	3	100
6	IT	9	79
7	Fundamental Banking	1	20
8	Treasury	13	36
9	Tax	2	49
10	Compliance	17	865
11	Islamic Banking Principles	9	520
12	Performance Management	2	60
13	Law	2	6
14	Strategic Planning	7	57
16	Marketing	10	119
17	Human Capital	1	4
18	Service	4	4

Career Development Policies and Implementation

Talent Management

Talent management implemented by Bank Jatim aims to prepare, develop, and retain employees in order to show their best performance, both at present and in the future. The basis in managing talent management consists of two aspects, namely competency as measured through the assessment process and employee performance. Competency measurements are carried out regularly to update the latest capabilities of each employee at all levels of position.

In 2020, Bank Jatim carried out employee career development programs including the following:

Selama tahun 2020, Bank Jatim membuka program pengembangan karir pegawai diantaranya sebagai berikut:

- **Executive Officer Assessment Program**

Bank Jatim has carried out the Assessment for executive officials amounting to 30 people. This assessment is needed to map the potential of each executive officer and measure the competency gap so that the Bank can plan the future development of the executive officer.

- **Employee career program**

The employee career path program in 2020 for filling positions at the level of a sub-branch leader was as many as 23 people, while for the career path program for executive officers, there were 2 people.

Performance Assessment

In an effort to ensure the achievement of employee performance capable of supporting the achievement of company targets, Bank Jatim has implemented a performance management system in the form of a Balance Scorecard method. This application was created to facilitate the process of monitoring and reporting the achievement of employee KPIs. The aim is to evaluate the performance of employees in Bank Jatim. The KPI Scorecard application is used as supporting data for performance appraisal which is one of the important factors in determining the calculation of production services. In addition to calculating production services, KPIs are also used for employee career ladder programs.

There are 4 (four) perspectives on the KPI Scorecard:

1. Financial
2. Internal Business Process
3. Customer
4. Learning and Growth

The performance system assessment is based on 2 (two) components, namely the main performance target (KPI) and Soft Competence with the weighting percentage value for each component is 100%. From the weight of the percentage value, the final result is the performance appraisal with the following assessment categories:

Assessment Category	Score
Outstanding	4,26 – 5,00
Exceed Expectation	3,51 – 4,25
Meet expectation	3,00 – 3,50
Below Expectation	1,50 – 2,99
Poor	0,00 – 1,49

Remuneration Policy

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, namely GML Performance Consulting 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. 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:

1. Echelon Rankings
2. Personal Grade
3. Job Grade

The following is the structure of the grading system in Bank Jatim:

Information	Job Grade	Position	Personal Grade	Corporate Title	
ESELON					
Eselon 1	G1	SEVP	18	Senior Executive Vice President	SEVP
Eselon 1	F3	Division Leader, Main Branch Leader	17	Executive Vice President	EVP
	F2		16	Senior Vice President	SVP
	F1				

Information	Job Grade	Position	Personal Grade	Corporate Title	
Eselon 2	E3	Leader of LJTM Conventional Branch 1	15	Vice President	VP
			14	Assistant Vice President	AVP
	E3 E2 E1	Class 1 Covenant Branch Leader, Main Branch Manager, Class 2 and 3 Branch Leader, LJTM2 and LJTM3 Branch Leader, 1 and 2 Branch Manager and Sub Division Leader	13	Senior Executive President	Sr. ExMgr
			12	Senior Manager	Sr. Mgr.
Eselon 3	Division Leader, Main Branch Leader D3 D2 D1	Operations Leader, Business Leader, Sub Branch Manager, Senior Analyst, Senior Relationship Manager, Senior Officer (Conventional and Sharia)	11	Manager	Mgr.
			10	Assistant Manager	Ast. Mgr.
			9	Sub Manager	Sub. Mgr
			8	Senior Supervisor	Sr. Spv
Eselon 4	C3 C2 C1	Supervisor, Head of Cash Office, Analyst, Relationship Manager, Officer (Conventional and Sharia)	7	Supervisor	Spv.
			6	Assistant Supervisor	Ast. Spv.
			NON ESELON		
Executor	B3 B2 B1	Staff, Junior Analyst, Junior Relationship Manager, Junior Officer	5	Senior Clerk	Sr. Clerk
			4	Assistant Senior Clerk	Ast. Sr. Clerk
			3	Clerk	Clerk
			Non Career Employees	2	Junior Clerk
Basic Staff	A2 A1	Security guard, driver, office boy	1	Karya	-

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 55/POJK.03/2016 dated December 9, 2016 concerning Implementation of Governance for Commercial Banks;
3. Financial Services Authority Regulation Number 45/POJK.03/2016 dated December 23, 2016 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:

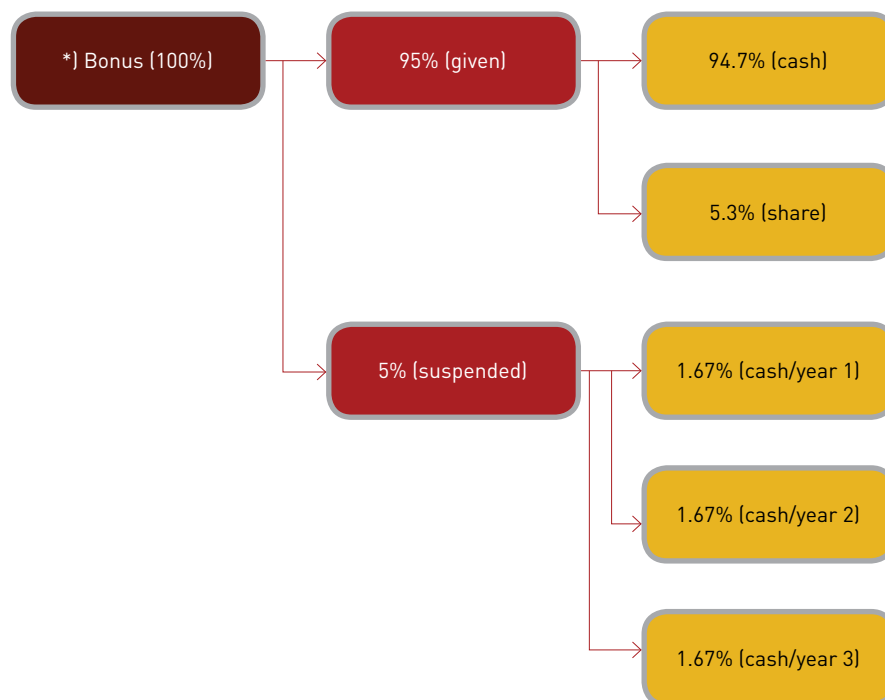
- President Director
- Field Director under the President Director
- Board of Commissioners

The percentage of variable remuneration for Bank Managers that is not included in the Material Risk Taker is as follows:

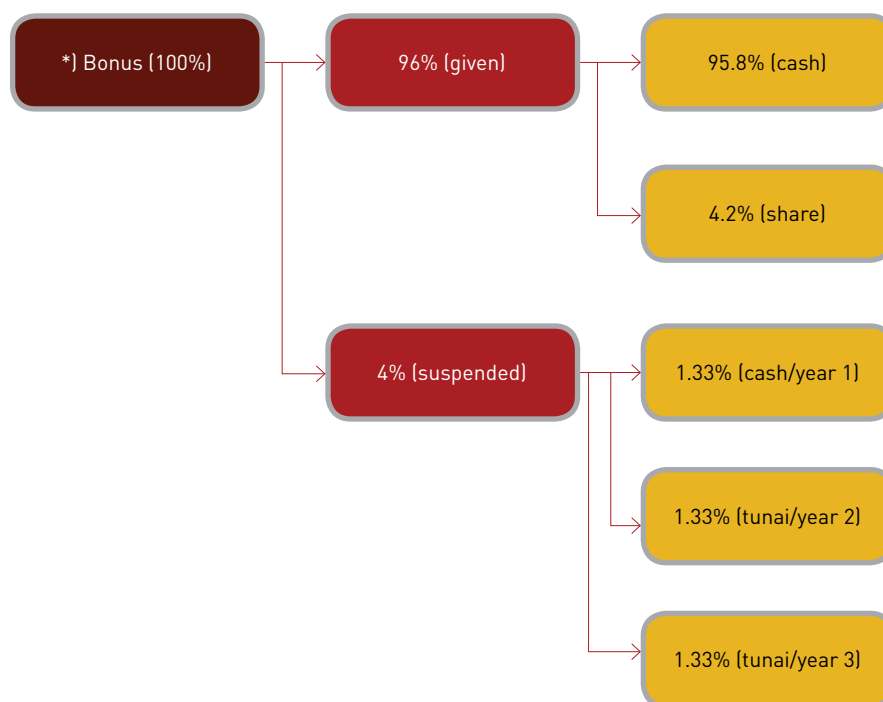


The percentage of variable remuneration for Bank Managers who is included as a Material Risk Taker is as follows:

President Director and Commissioner



Division Director and Commissioner



Employee Satisfaction Survey

Employee engagement had become one of the important things in human resource management studies, because it provided many benefits for the company. Not only making employees to have high loyalty, employee engagement also made employees contribute more to the company through improved performance.

The main objective of this program was to determine the level of employee engagement from employee performance, as well as to determine the effect of employee engagement on employee performance at Bank Jatim.

Benefits of Employee Engagement for employees

1. 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.
2. Creating strong relationships with each employee.
3. 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 negative thoughts from every problem faced by employees in their lives.

This approach can make employees become enthusiastic again when doing 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. Employees will become loyal to the company because of the Employee Engagement at their place of work. They are also proud to tell and even suggest people they meet to use products or services that are owned by the company.

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.

Level Engagement

Employee Engagement is divided into 4 (four) levels, namely:

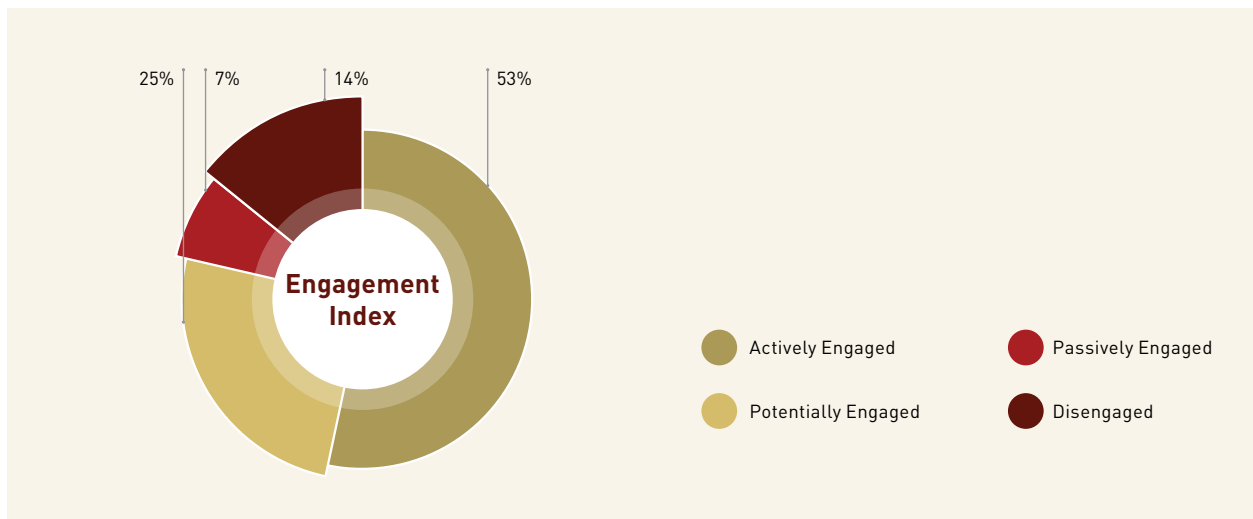
1. **Actively Engaged (High Commitment and Engagement)**
Employees at this level have personal interests in harmony with the organization. They contribute fully to the success of the organization and find great satisfaction at work.
2. **Potentially Engaged (High Commitment but Low Engagement)**
Employees 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.

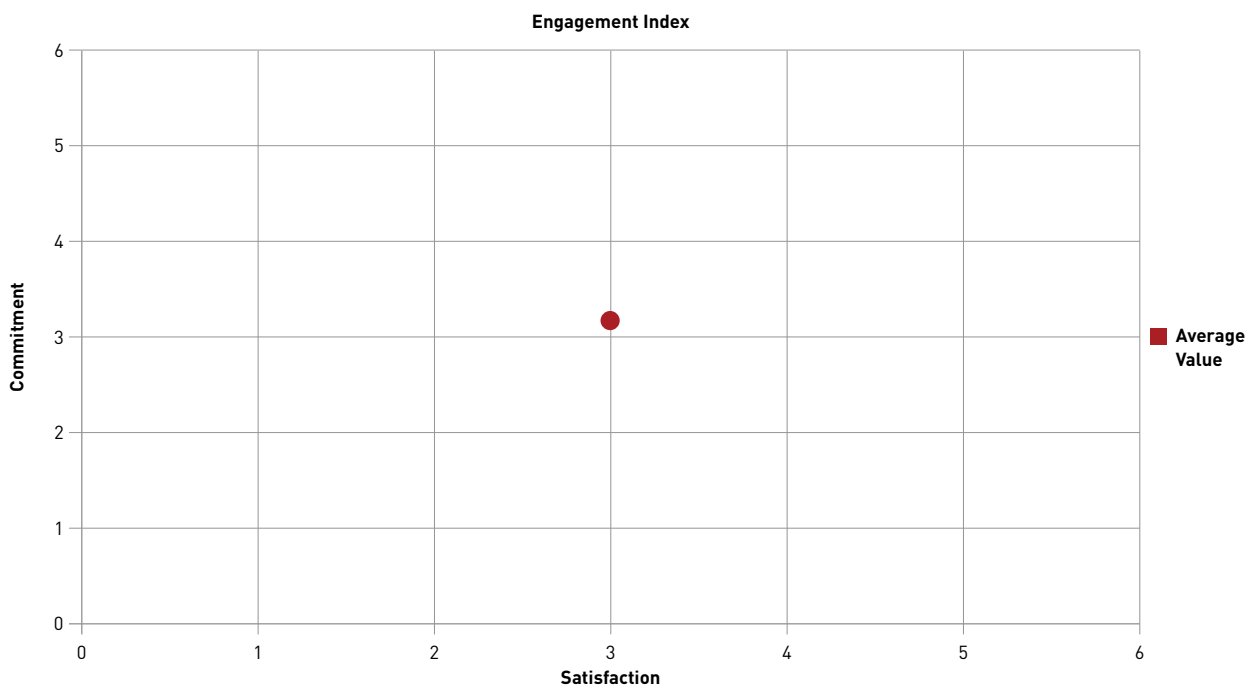
3. **Passively Engaged (High Engagement but Low Commitment)**
Employees at this level are people who feel comfortable with the company's conditions. They can be new people or get new roles. They have not contributed fully to the company's success or even hidden behind the hard work of others.

4. **Disengaged (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

From the survey that had been carried out by the Company, the following results can be seen:



Employee engagement matrix with the following results:



Hal ini This means that the level of employee satisfaction with the company is at the point of 3.00. From these results, it can be considered that it is still quite good (right in the middle of the axis) because it is not less than the predetermined middle value of the level of satisfaction. The commitment of employees to the company is at the point of 3.18, from this result it can be categorized as good because the value is above the mean value of employee commitment to the Company.

Pension Program

PT Bank Pembangunan Daerah Jawa Timur Tbk 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. 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).

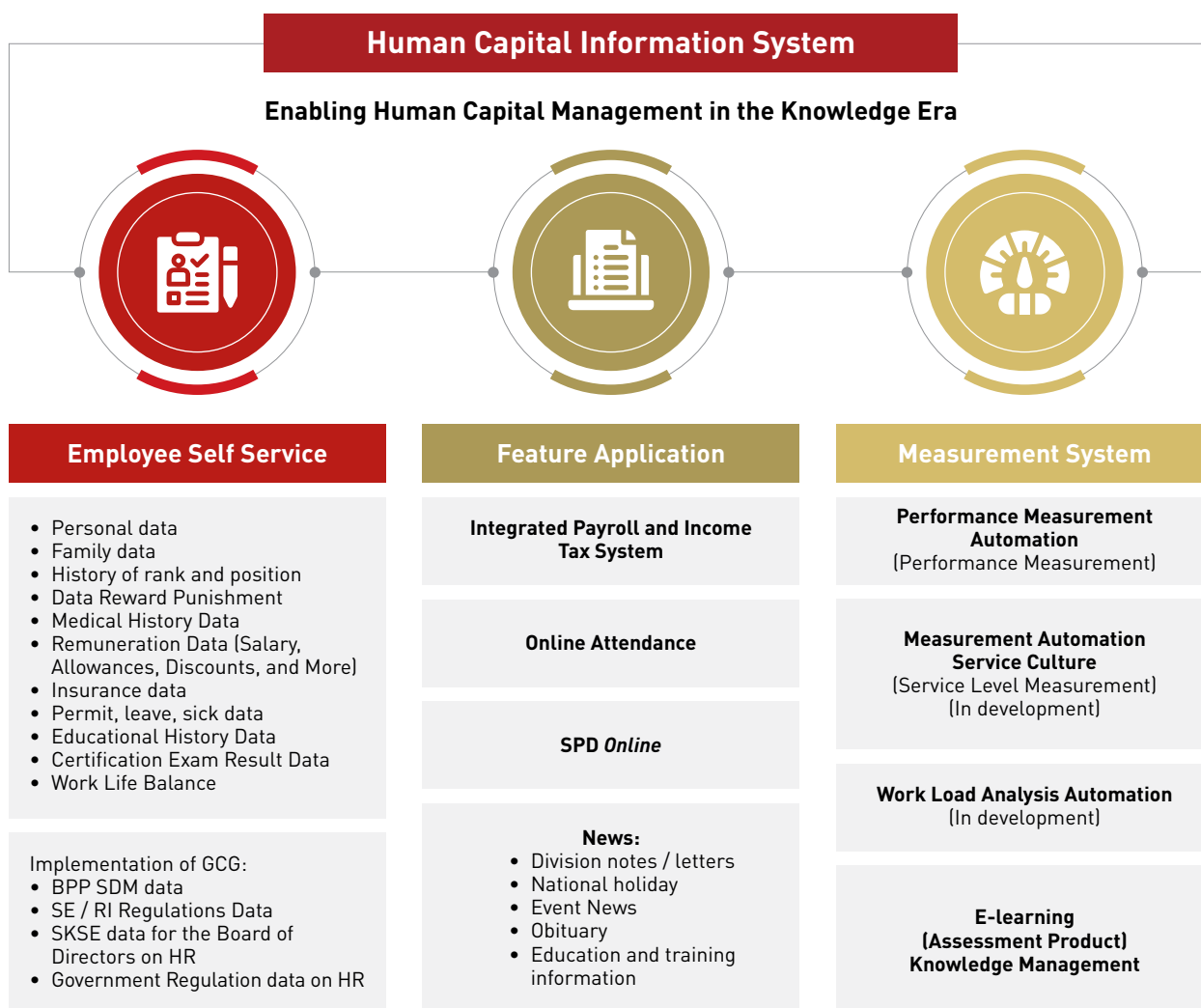
3. Defined Contribution Pension Program (PPIP)

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.

— System and Infrastructure Human Capital

Along with the times, the development of information technology can make it easier for people to do activities, see news and find various information circulating in cyberspace. The more technology develops, the easier it will be for all human activities in the future. The Human Capital Division has launched a Digital product in 2020, 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. E-Human Capital / e-HC is a website-based application that can be accessed via the internet via either a personal computer or a gadget / mobile. Through the

e-Human Capital application, employees can perform employee self-service, including submitting leave requests, claiming hospitalization costs, glasses costs, printing salary slips, attendance, official travel, overtime pay, conducting surveys / questionnaires, online quizzes, e-care, e-health and employee Curriculum Vitae data. Human Capital management at Bank Jatim which has been supported by the Technology application through the Bank Jatim Human Capital Portal has optimized HR management in the Bank. Bank Jatim Portal features are described as follows:



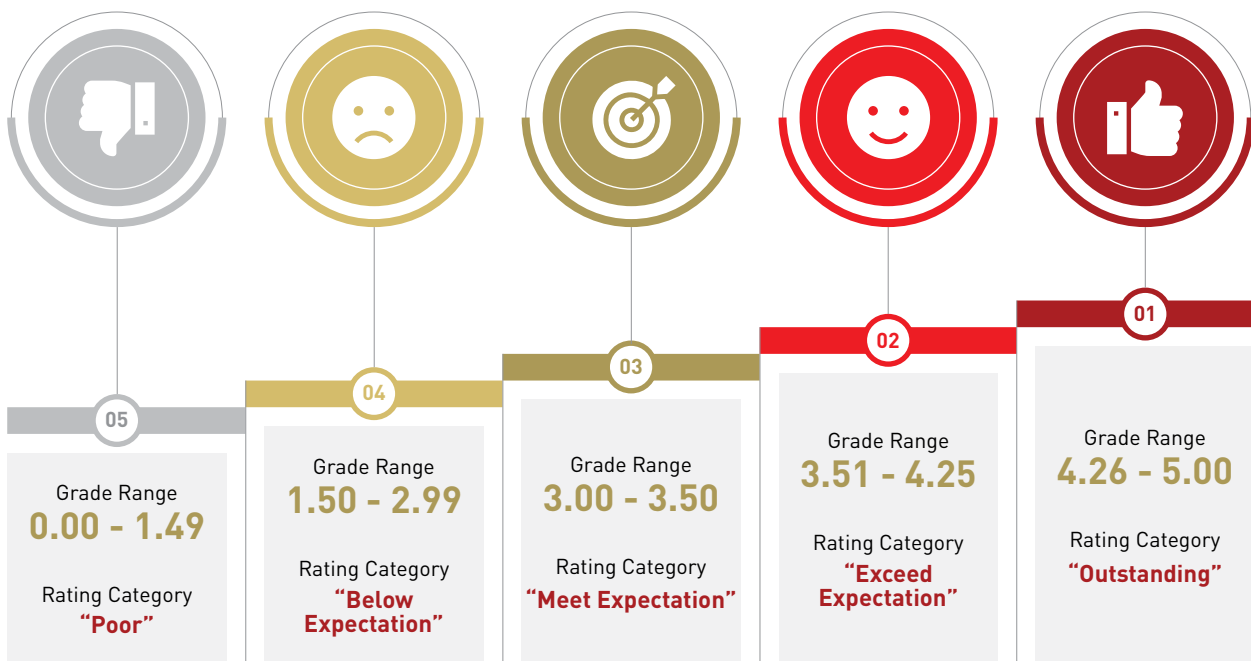
KPI-SCORECARD AS A PERFORMANCE MANAGEMENT SYSTEM TO EASY THE PROCESS OF EMPLOYEE PERFORMANCE MONITORING AND REPORTING

In an effort to ensure the achievement of employee performance capable of supporting the achievement of company targets, Bank Jatim has implemented a performance management system in the form of a Balance Scorecard method. This application was created to facilitate the process of monitoring and reporting the achievement of employee KPIs. The aim is to evaluate the performance of employees in Bank Jatim. The KPI Scorecard application is used as supporting data for performance appraisal which is one of the important factors in determining the calculation of production services. In addition to calculating production services, KPIs are also used for employee career ladder programs.

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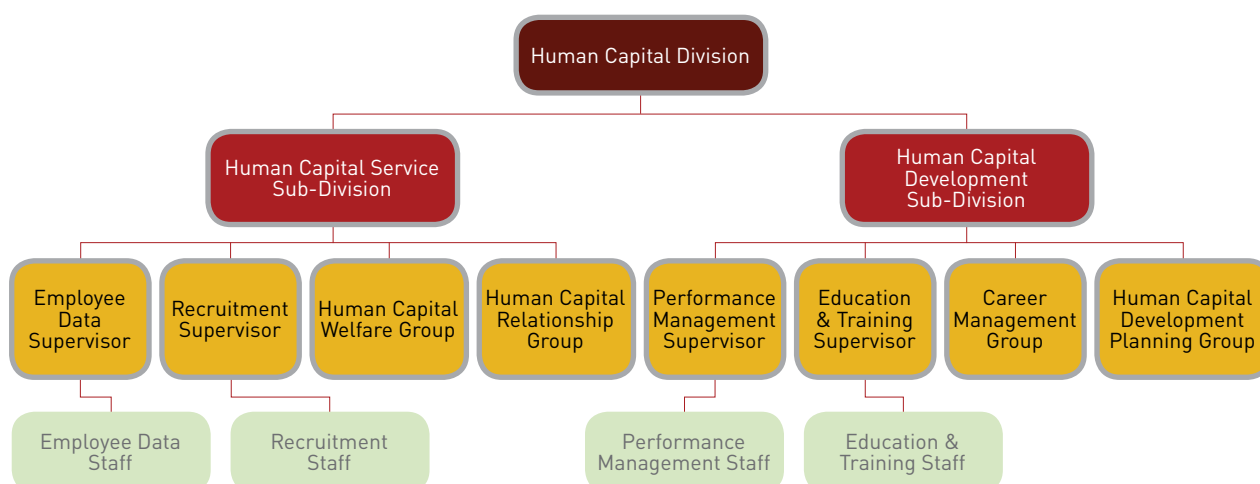
— Internalization of Culture

Development of Corporate Culture aiming at building a work culture that encourages productivity and creates an open and positive work environment as well as harmonious relationships among employees. The Bank implements a program of internalization and alignment of its Main Values and Culture so that it can respond to challenges and changes and make its employees able to adjust quickly, more dynamically, and agile by continuously taking into account the aspects of professionalism and integrity.

— Human Capital Management Structure

Reliable, loyal, and competent Human Capital (HC) is the main capital for the Bank in realizing its vision, mission, and business success. The Bank always prioritizes HC development, both individually and in team, as well as Corporate Culture development to build corporate culture as a business strategy in order to maintain its best performance in banking service business.

Human Capital at Bank Jatim is under the authority of Compliance and Risk Management Director, and managed by the Human Capital Division. This division consists of Human Capital Services Sub-Division and Human Capital Development Sub-Division which play a role in service operations, preparation of policies, and development of Human Capital. With this structure, it is expected that the Bank can produce employees with high competence and corporate culture.



— 2021 Human Capital Work Plan

Preparing Human Capital who is able to see opportunities and execute so as to generate maximum returns for the bank. Future Human Capital needs must have criteria in accordance with the Vision and Mission and Corporate Culture of Bank Jatim, namely:

- Improving the quality of human resources through the development of competencies and special skills, a broad understanding of the rules of the authorities and various issues in society and strengthening digital-based products.
- Developing human resources who can carry out and master their duties and responsibilities with a commitment to achieve optimal results based on corporate culture, ethical values and rules.
- Improving quality and facilitate services to employees with digital-based innovations in order to establish mutually beneficial and highly committed cooperative relationships.
- Improving the quality of the learning and growth process which is supported by the quality of the development of HR competencies and measurable and transparent career paths.

Making Human Capital a strategic partner by translating each policy into a structured action plan. This process requires business knowledge competence (bank wide), competence to create products that customers want (customer centric), competence to understand and sell every bank product, especially in Human Capital, being able to map every talent according to the ability of employees so that they can have an effect significant impact on performance. Also, the development of a Corporate Culture aimed at building a corporate culture oriented to the digital banking era.

The strategic initiatives that will be developed in the Human Capital Division of Bank Jatim as a strategy in 2021 are:

1. Designing a Learning Center to improve the quality of human resources.
2. Developing human capital technology facilities and infrastructure such as developing e-Human Capital in providing fast service to every employee as well as digital learning media that can be accessed by every employee.
3. Preparing an assessment center as a means for the company to measure the competence and profile of employees.
4. Providing training (public training and in-house training) for continuous improvement of competence in the field of digital banking, credit, funding, foreign exchange transactions or other activities / services according to employee needs, training catalogs and work plans that have been determined by Bank Jatim its implementation still takes into account the conditions of the COVID-19 pandemic in accordance with the direction of the government and authorities..

In order for businesses to grow and compete in the Digital banking 4.0 industry on a regional, national and international scale, it is necessary to be supported by reliable and competent human resources that have been determined by the bank in order to win the competition in the era of Digital Banking 4.0. Management is committed to the development of the organizational structure, job descriptions and objective performance appraisals as well as evaluating employee promotion policies so as to improve the bank's competitive ability. Management continues to maintain its commitment to treat all employees as valuable assets by carefully planning the needs of employees in line with business growth.

— Human Capital Profile

Human Capital profiles can be seen in the Company Profile Chapter of this Annual Report.



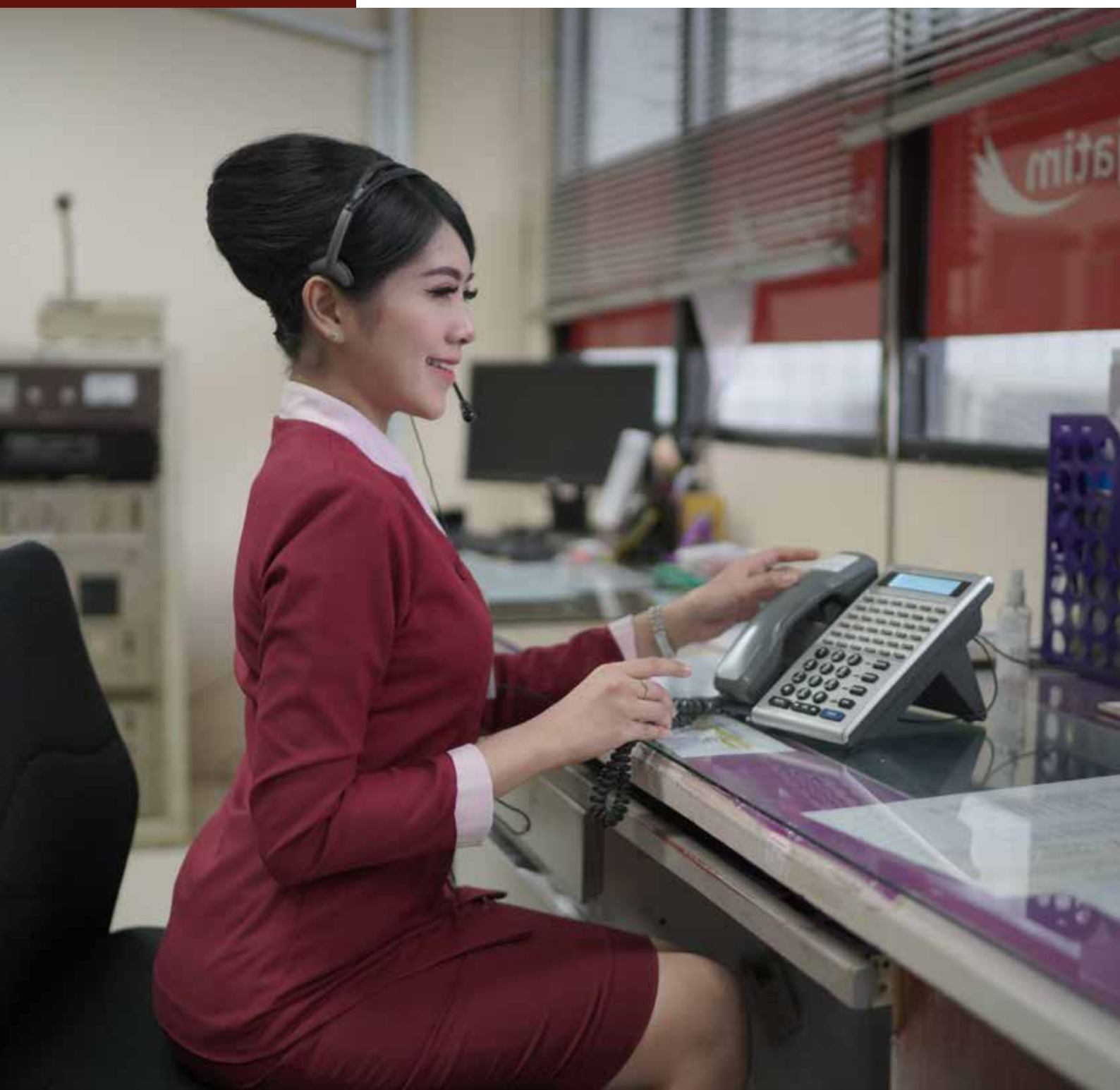
Information Technology

“

Until 2020, Bank Jatim innovated and invested in technology so that it could remain competitive in the era of the industrial revolution 4.0. Several products and services had been launched to make services easier for the public.

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— Master Plan and Information Technology Strategy



In the era of the industrial revolution 4.0, the development of information technology (IT) happened so fast, especially in financial services. This requires Bank Jatim to constantly adapt to changes that are ongoing and in the future and in order to provide convenience, comfort and security for customers in interacting with banking services.

The main focus of Information Technology is to simplify and reduce processing time so as to provide new, more satisfying service value and experiences to customers. With that spirit, the Information Technology Division of Bank Jatim continues to apply the latest technology solutions in the Bank Jatim system. By digitizing it means making the process more effective and efficient so that it is better able to provide the best service and experience to customers.

Qualified security for digital banking transactions along with the increasing threat of cybercrime needs to be considered when implementing and responding to technological developments. Therefore, the Information Technology Division of Bank Jatim always strives to always update the security system and ensure customer protection from unwanted things.

To facilitate all of these things, it is necessary to have a strategic information technology plan that is sustainable so that the direction and objectives of information technology development become clear and do not lose direction in the middle of the road. For this reason, the Information Technology Division of Bank Jatim continues to support the corporate plan that has been promoted by management and can run in harmony for the next 5 (five) years to be able to compete with other competitors and ensure the best service to Bank Jatim customers.

— Information Technology Innovation



The trend of digitalization affects the joints of the economy, changing the pattern of public transactions, both individuals and corporations, and disrupting conventional functions, including in the financial sector. The wave of digitalization, accompanied by the rise of the sharing economy era and an economic platform with an increasingly modular business pattern, overcomes problems across jurisdictional boundaries (borderless) and reduces the role of middle men.

BANK INDONESIA: NAVIGATING THE NATIONAL PAYMENT SYSTEM IN THE DIGITAL ERA

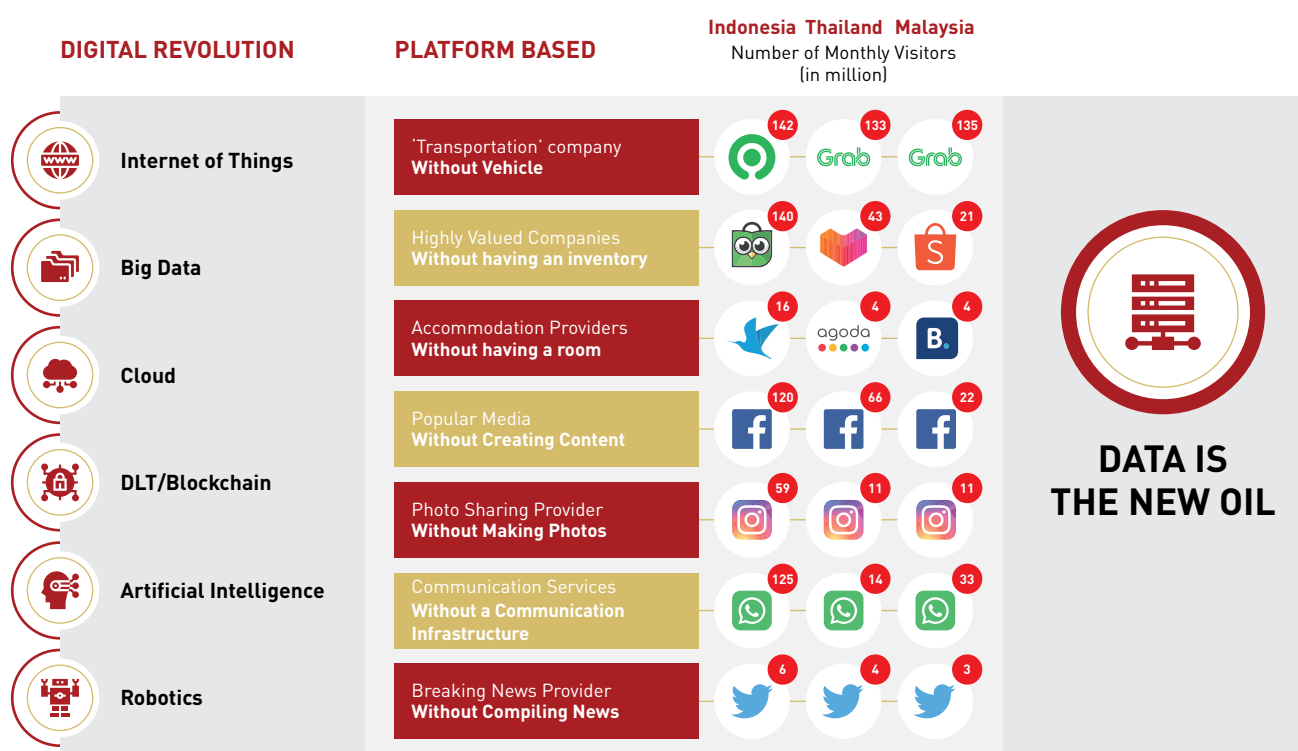


Figure 1. The Digital Revolution. (source: Indonesian Payment System Blueprint 2025)

This modular business pattern places data as an asset and a key to new competitiveness in the digital era. The use of the Internet of Things (IoT) that connected various digital activities could result in a granular explosion of information down to the individual level. Therefore, details and granular data that could provide benefits for service providers to improve product and service quality and keep consumer loyalty within reach.

COMPARISON OF DIGITAL PENETRATION RATES

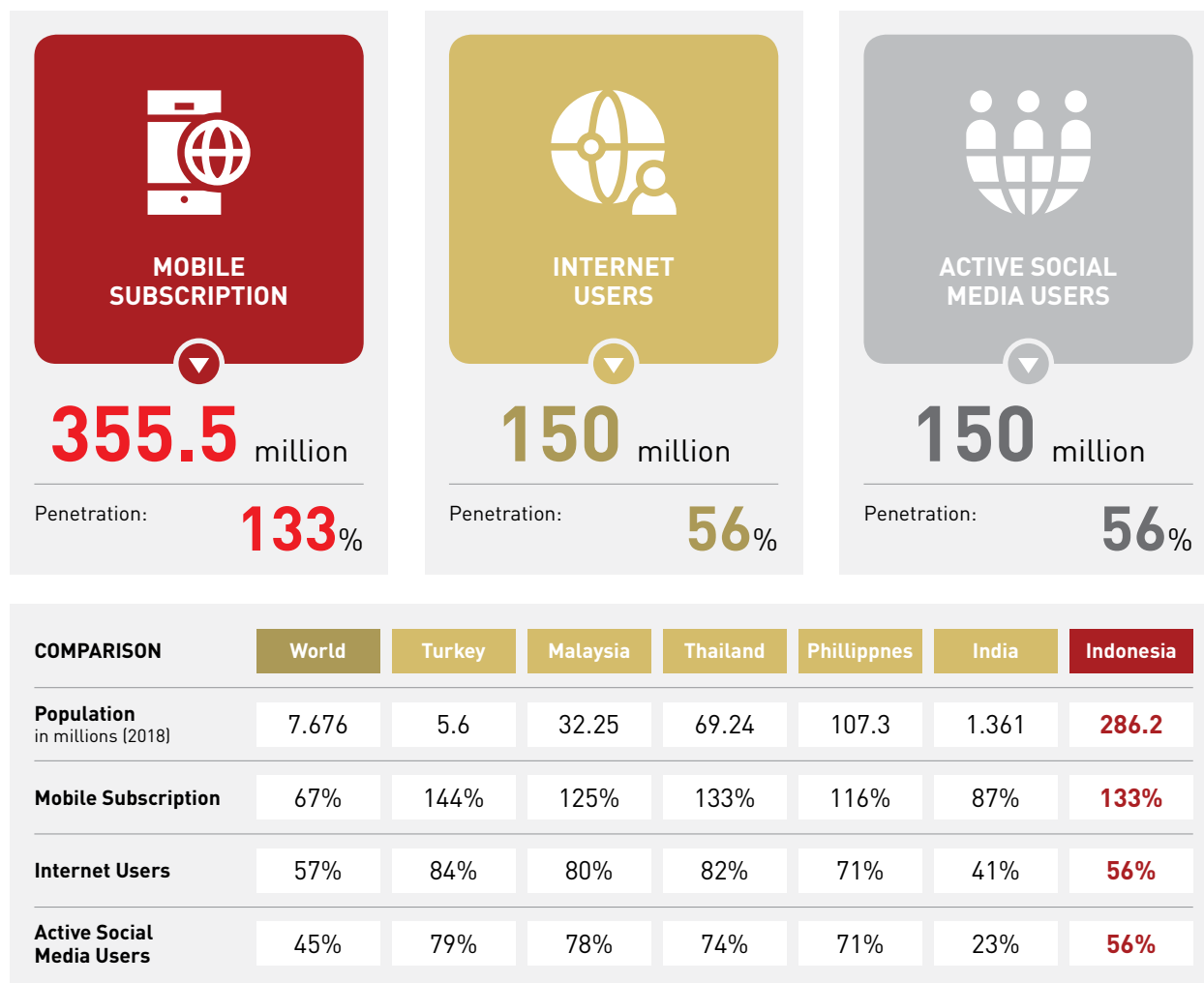


Figure 2. Comparison of Digital penetration rates. [Source of wearesocial jan-19]

Although public interest in digital innovation is quite high and significant, the digital divide in Indonesia is still quite wide, and the level of financial inclusion is still lagging. Current data shows that internet user penetration in Indonesia alone still reached 56% of the total population, lower than the global average and ASEAN peer countries. In addition, the number who did not have individual bank accounts was still significant. Practically only

49% of the total adult population (over the age of 15 years) had a much lower account than the average for countries in the Asia Pacific region or around 71%. Access to finance to Micro, Small and Medium Enterprises (MSMEs) was also still top, but the digital divide and the low level of financial inclusion also reflected the digital market opportunities that were still wide open for penetration in Indonesia.

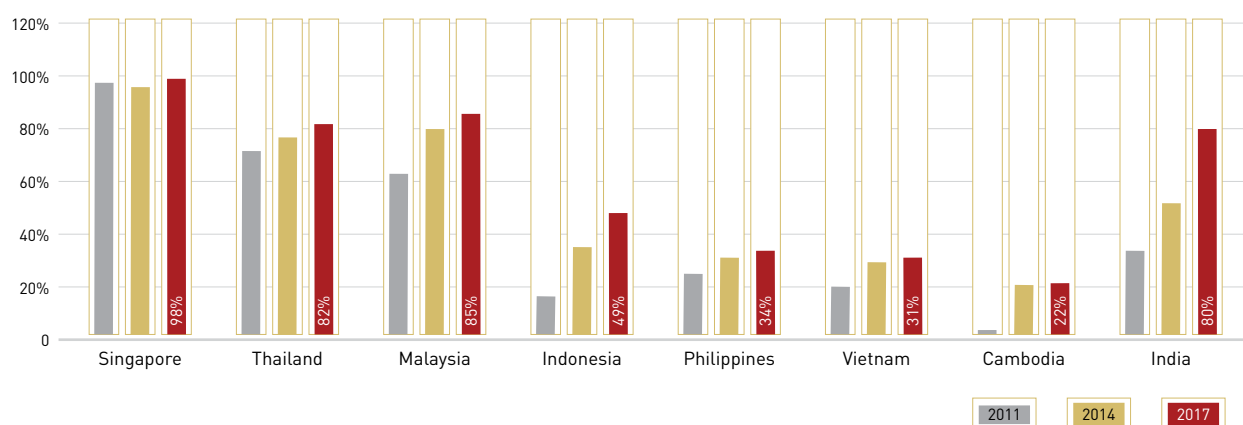


Figure 3. Comparison of Account ownership. [Source Global Financial Index, 2018]

With this prospect, it is not surprising that the online platform business, especially fintech and e-commerce, can grow rapidly in Indonesia. It is estimated that in 2025 the size of the Internet market in Indonesia is projected to reach US \$ 100 (one hundred) billion, the highest in ASEAN [source: Economy SEA 2019]. This opportunity will attract large-scale capital flows both domestically and abroad into various fintechs and e-commerce in Indonesia.

Until 2020, Bank Jatim innovated and invested in technology so that it could remain competitive in the era of the industrial revolution 4.0. Currently, several products and services had been launched to make services easier for the public, namely:

1. To facilitate services to customers:
 - a. Smart Practice
 - b. Virtual Account
 - c. Jatim Kilat
 - d. E-KMG
 - e. Peer to Peer Lending Host To Host With Amarta Fintech
 - f. Apps for general Customers (Mobile Banking, Internet Banking, QRIS, ATM-CRM, EDC, and Digital Lounge)
 - g. Apps for Government (Regional Financial Electronification Monitoring Application (eKD), e-Marketplace, e-Tourism, e-Retribution, and e-Bansos).
2. To optimize business processes:
 - a. ATM Monitoring
 - b. Server virtualization
 - c. Core Switch DC - DRC
3. For Strengthening IT Security
 - a. Log Management System
 - b. Upgrade Load Balancer
 - c. Two Factor Authentication & VPN Concentrator

— Availability and Information Technology Infrastructure

Alignment of information technology with Bank Jatim's business was a must in providing optimal service to customers, this would not be achieved if one did not work in harmony.

Information Technology Architecture played a very important role in this matter.

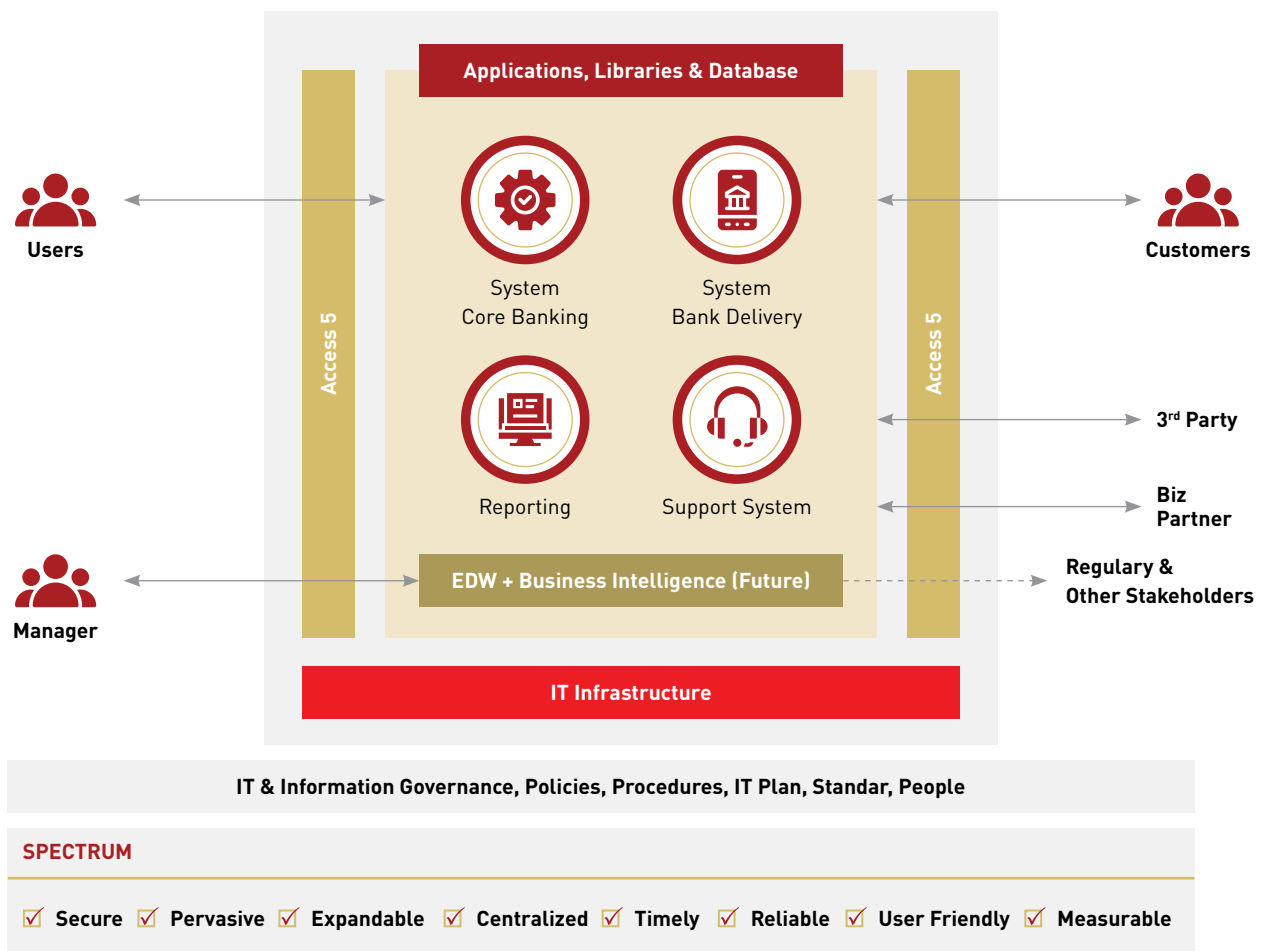


Figure 4. High Level Architecture

High Level architecture shows the main components forming the system and the environment of the parties that interact with the system. The components in the question include application components, infrastructure as well as supporting components in the form of governance, policies and procedures, as well as IT staff as the main implementers. This architecture shows that business functions are supported by various applications which are grouped into:

- Core Banking System;
- Bank Delivery System;
- Reporting System; and
- Support System.

To meet reporting needs, a Data Warehouse system was provided. To anticipate the need for faster business analysis in the future, the architecture was possible to be equipped with BI (Business Intelligence) facilities.

All access to the application was passed to an access channel that was "secure and reliable", both internal and external access. All applications and infrastructure were managed by the IT division, supported by the following:

- IT Governance and Information Governance;
- Other policies;
- Standard;

- SOP; and
- Annual plans and capacity planning.

The parties who interacted with the system could be divided into:

- Users (Bank Jatim internal staff);
- Manager (decision makers at Bank Jatim at various levels);
- Customer;
- Host-to-host connection to biz-partner; and
- Stakeholders and regulators who receive reports.

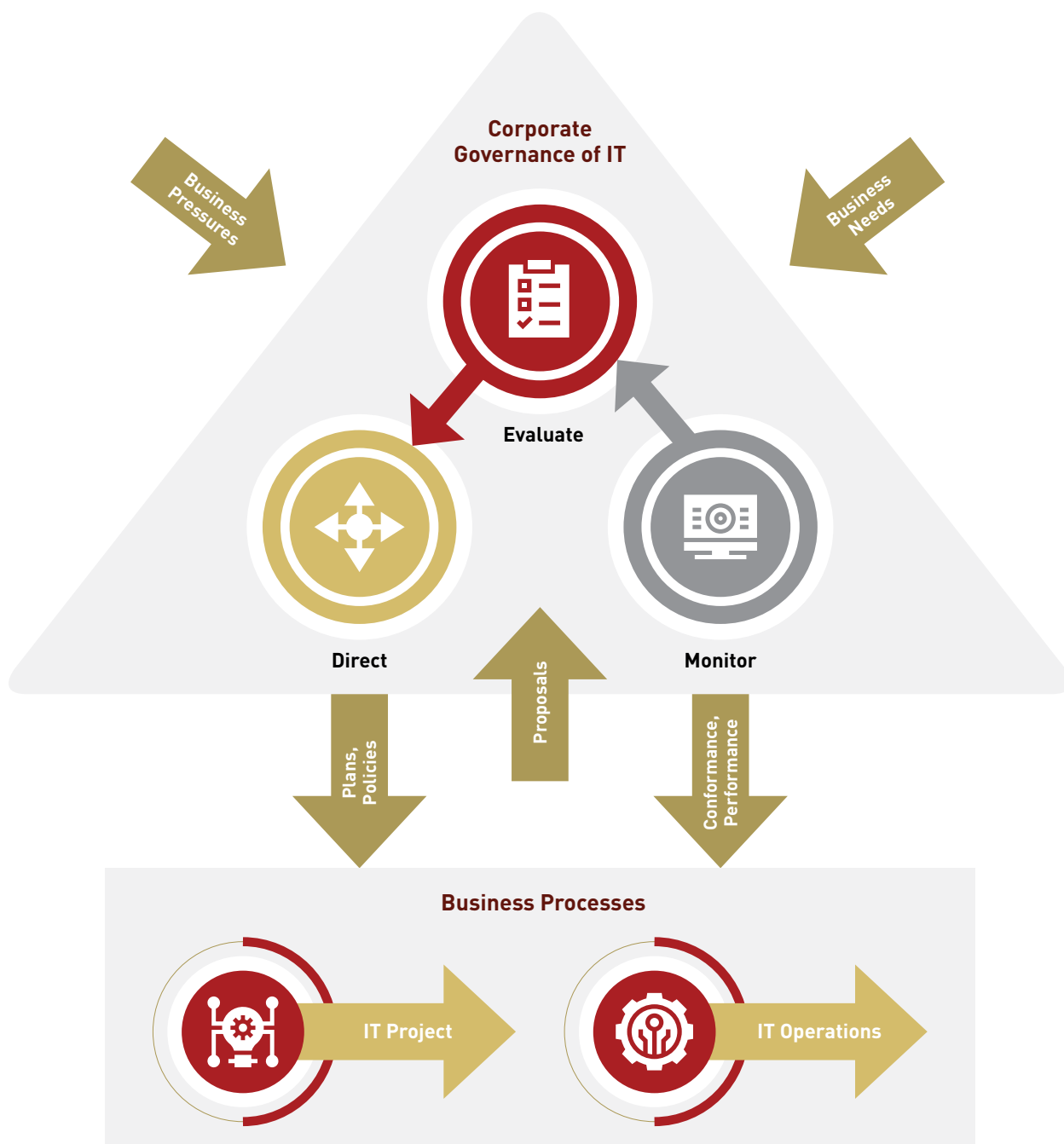
People included the organization, the adequacy of the number of personnel, and the adequacy of competencies to carry out an IT position.

Availability and infrastructure carried out by Bank Jatim in 2020, namely the addition of infrastructure and strengthening in the IT Security side, namely:

- Core Switch DC - DRC
- Digital Banking Infrastructure
- Log Management System
- ATM Monitoring
- Two Factor Authentication & VPN Concentrator

— Information Technology Policy and Governance

IT governance is a commitment, awareness and process of organizational management control of IT resources / information systems to ensure that the IT organization is aligned with the organization's business strategy and objectives. Good IT governance required a balance between the People, Process and Technology aspects. Based on these considerations, the implementation of IT governance at Bank Jatim adopted various frameworks that were in line with the IT service area at Bank Jatim.



The picture above is a model of Bank Jatim IT Governance. The description of the picture is as follows:

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.

In the competitive banking business, Bank Jatim had a vision to become a healthy bank that developed naturally and had professional management and human resources. To support this, the IT Division of Bank Jatim had a strategy, namely "Strengthening Governance and Supporting Management Tools for IT and Information Management".

In conducting a study and analysis of the IT Governance of Bank Jatim, the company used several general reference standards as references in the preparation of this report, particularly references used in the banking industry. The following is an explanation of some of the references used as references, namely:

- Financial Services Authority (POJK) Regulation No. 38 / POJK.03 / 2016 and Circular Letter of the Financial Services Authority (SEOJK) No. 21 / SEOJK.03 / 2017 concerning the Implementation of Risk Management in the Use of Information Technology by Commercial Banks became one of the references in carrying out a Risk Assessment and Compliance Review which refers to the 9 chapters as follows:
 - Chapter I: Management
 - Chapter II: Development and Procurement

- Chapter III: Information Technology Operations
- Chapter IV: Communication Networks
- Chapter V: Safeguarding Information
- Chapter VI: Business Continuity Plan
- Chapter VII: Electronic Banking Services
- Chapter VIII: Information Technology Service Provider Users
- Chapter IX: Provision of Information Technology Services by Banks
- Chapter X: Digital Banking
- Control Objectives for Information and related Technology (COBIT) 4.1 as an IT Governance framework that had an IT Strategic Plan that was aligned with business strategy. Regarding the Maturity Level Assessment Guidelines for 34 Information Technology control processed by assessing the maturity attribute of each control in 4 (four) domains, namely:
 - Plan and organize,
 - Obtain and implement,
 - Implement and support,
 - Monitor and evaluate
- The Information Technology Information Library (ITIL) became a standard framework for IT in aligning IT support services to businesses. ITIL focused on IT-level processes, procedures, tasks and services to support corporate strategy, provide added value, and maintain the level of IT competence. The ITIL cycle was designed into 5 (five) stages. These stages are interrelated, namely:
 - Service Strategy
 - Design Service
 - Service Transition
 - Service Operations
 - Continuous Service Improvement

The ITIL framework was also used to ensure that end-goals are kept in mind during all stages of the ITIL service cycle.

— Information Technology

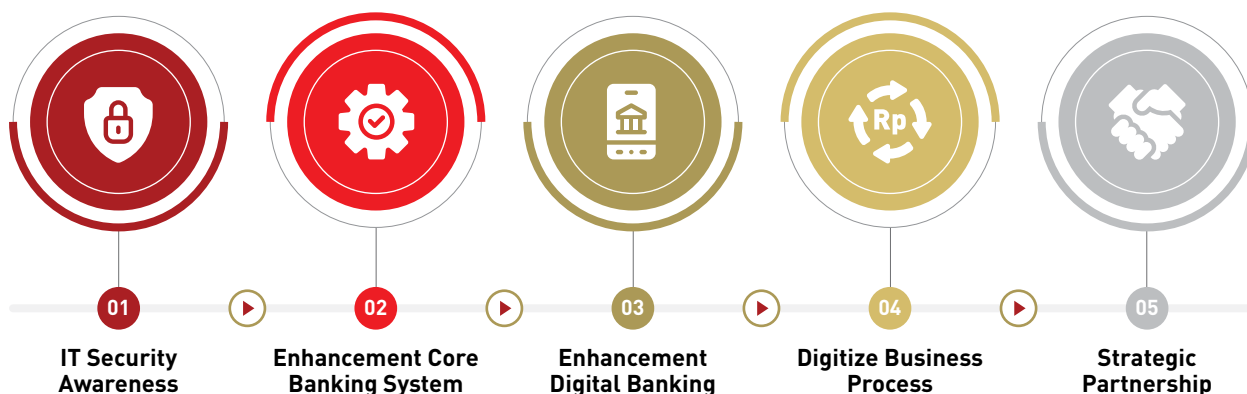
Development Strategy for the Future

Bank Jatim launched several strategies related to future technological developments with a strategy of 3 (three) pillars of digital service innovation, namely:

1. Digital services to Local Governments and ASN
2. Digital services to MSMEs
3. Digital services to the general public

In addition to the 3 (three) pillars of digital service innovation proclaimed by Bank Jatim, the strategy, development and information technology business plans referred to the focus of the Information Technology Division's business plan and explanation of business development strategies. The information technology development strategy in 2020 can be described as follows:

1. Digital Banking Development (Enhancement Digital Banking)
2. Modernized Core Banking System
3. Strengthening IT Security (Enhancement IT Security)
4. Digitize Business Process
5. Strategic Partnership



The IT strategy to support the banking business was based on the results of the IT SWOT analysis as follows:

1. IT Security Awareness

Along with improving digital banking services in banking, the Bank had to prepare an IT security strategy for prevention, monitoring, protection and solutions to protect customer information from threats of fraud, viruses, malware and cybercrime that enter through networks, users, email and the cloud.

2. Enhancement Core Banking System

Modernization of the Core Banking System as well as its supporting infrastructure, so as to increase the reliability and continuity of banking service operations, capacity planning, faster processing rates, higher transaction volumes and support for digital banking development.

3. Digital Banking Enhancement

In this era, digitization becomes a new breakthrough that promises convenience and effectiveness as well

as efficiency. Banks are required to be able to carry out transactions, negotiations, and digital communication with customers.

Digital banking development is a must to support business, fulfill banking technology trends, fulfill regulations, behavior and consumer needs and anticipate the level of competition between bank / non-bank institutions.

4. Digitize Business Process

Entering the digital era, everything is in your hands and is going fast, the industrial revolution 4.0 has changed the order of the industrial system from rapidly developing technology to digital technology. Like it or not, all business systems that still apply conventional technology will switch to digital if you don't want to be left behind. Business digitization is a business transformation process from a conventional concept to a virtual one, which includes transaction processing and application of corporate systems with the aim of accelerating work efficiency to get more results and to cover globally.

However, digitizing business processes did not stop at automation alone. Nowadays digitizing a process is very important, not only for existing workflows but also to make it better and more efficient. For banks, automating popular operations such as loan services, credit services, cash and non-cash transactions is very important because services are more accessible to customers and waiting times can be cut and become services that can be accessed 24 hours non-stop by customers.

By digitizing innovations in business processes, it can help increase efficiency, accelerate integration of SLA, paperless, easy and adaptive so that it has a positive impact on business expansion.

5. Strategic Partnership

It is a strategy to build bank partnerships and collaborations through collaboration with 3rd parties and ecosystems and other fintech / bank institutions in terms of utilizing big data technology and cloud computing. The strategy through this collaboration will continue and be developed considering the increasing competition in the banking sector.

6. Big Data Analytics

Big data is a special term used for data that exceeds the processing capacity of conventional databases because it is large, moves too fast, and does not match the structural

capabilities of the traditional database architecture so that a process with an integrated system capable of handling big data is carried out called Big data analytics. Big data analytics is the whole process of collecting, tidying, analyzing big data so that valuable information is obtained to help determine decisions or the sustainability of a system. The steps that must be taken in the application of big data analytics are:

- a. Data Mining
- b. Data Collection
- c. Data Storing
- d. Data Cleaning
- e. Data Analytics
- f. Data Consumption

Utilization of data in large volume and speed for analysis and decision making, risk mitigation and business enhancement was supported by artificial intelligence technology. On a large scale big data analytics provided the means to analyze data sets and draw conclusions about that data to help make informed business decisions. Big data analytics offers a variety of business benefits, namely new revenue opportunities, more effective marketing, better customer service, increased operational efficiency, competitive advantage over competitors.

— Information Technology Management Structure

The Organization Structure of the Information Technology (IT) Division of the Bank was run by 4 (four) sub divisions which were under the responsibility of the Information Technology (IT) Division Leader, while the IT Division Leader reported directly to the Director of Information Technology (IT) and Operations. The four sub-divisions were the IT Governance and Security Sub-Division, the IT Development Sub-Division, the Digital Banking Development Sub-Division, and the IT Support and Operations Sub-Division.

The organizational structure of the Information Technology Work Unit referred to the Decree of the Board of Directors No. 058/158/DIR/PRS/KEP dated June 17, 2019, are as follows:

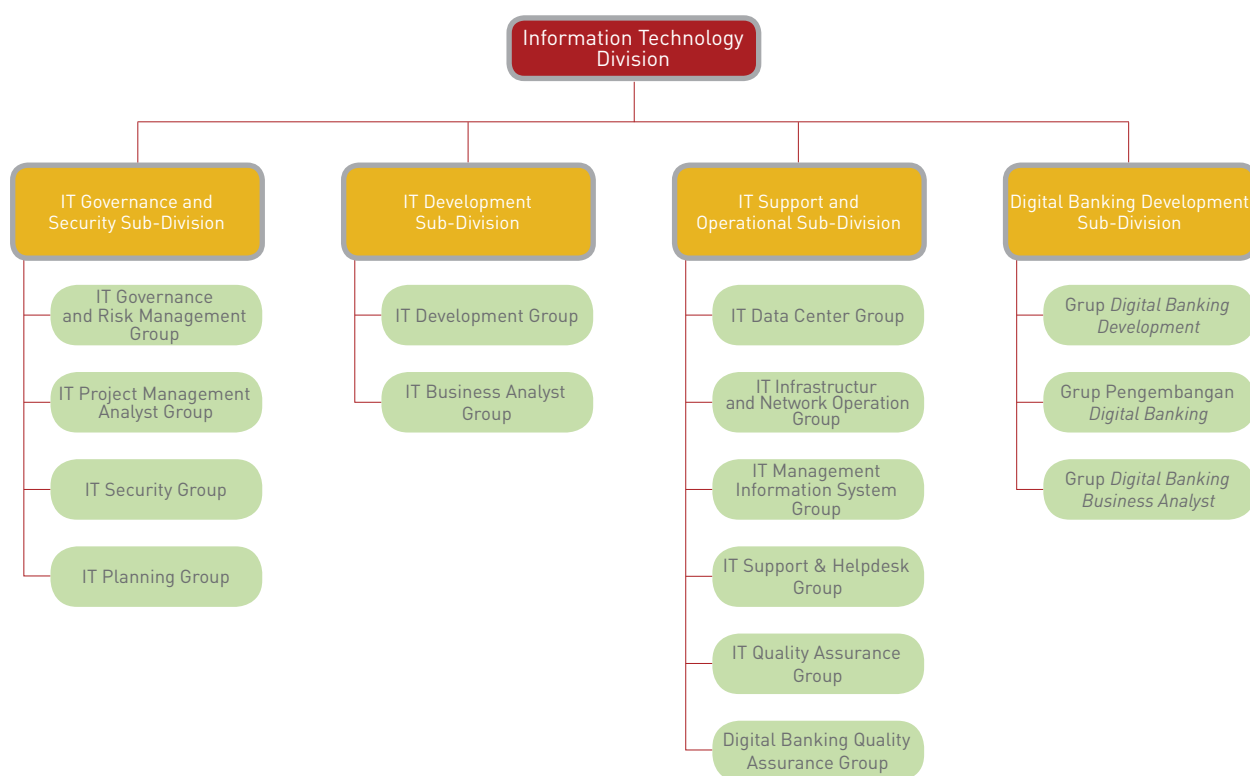


Figure 7. Organizational Structure of the Information Technology Division

The scope of duties of each Sub Division within the Information Technology Work Unit is as follows.

No.	Work Unit	Job Description
1.	IT Governance and Security Sub Division	Monitor and ensure that all IT processes comply with and comply with the prevailing laws and regulations.
2.	IT Development Sub Division	Facilitate translating business process requirements into information technology-based technical solutions and proposing appropriate IT projects and initiatives.
3.	IT Digital Banking Development Sub Division	Coordinate and ensure the preparation of strategies, blueprints / roadmaps and action plans as well as conducting studies and research related to the development of Digital Banking.
4.	IT Support and Operations Sub Division	Monitor IT services and operations that are implemented and are responsible for the operation of Information Technology that is free from disruption.



GOOD CORPORATE GOVERNANCE

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Bank Jatim had several policies related to Corruption Prevention, including the Implementation of Anti-Fraud Strategies, Code of Conduct, Conflict of Interest Guidelines, Corporate Culture, Gratification Policies, Employee Discipline Regulations, Market Ethics Code Guidelines, and Guidelines Obligation to Maintain the Confidentiality of Data and Information.

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— 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 No. 7 of 1992 and amendments to Law No. 10 of 1998 dated November 10, 1998 concerning Banking.
2. Law of the Republic of Indonesia No. 40 of 2007 dated August 16, 2007 about Limited Liability Companies.
3. POJK No. 45/POJK.03/2015 dated December 22, 2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks.
4. POJK No. 55/POJK.04/2015 concerning the Establishment and Guidelines for the Work Implementation of the Audit Committee.
5. POJK No. 4/POJK.03/2016 dated January 27, 2016 concerning Assessment of the Soundness of Commercial Banks.
6. POJK No. 5/POJK.03/2016 dated January 27, 2016 concerning Bank Business Plans.
7. POJK No.18/POJK.03/2016 dated March 22, 2016 concerning the Implementation of Risk Management for Commercial Banks.
8. POJK No. 46/POJK.03/2017 dated July 12, 2017 concerning Implementation of Commercial Bank Compliance Function.
9. POJK No. 27/POJK.03/2016 dated July 22, 2016 concerning the Fit and Proper Test for Main Parties of Financial Services Institutions.
10. POJK No. 32/POJK.03/2016 dated August 12, 2016 concerning Amendments to POJK No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports.
11. SEOJK No. 39/SEOJK.03/2016 dated September 13, 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.
12. POJK No. 34/POJK.03/2016 dated September 26, 2016 concerning Amendments to POJK No. 11/POJK.03/2016 concerning Minimum Capital Requirement for Commercial Banks.
13. POJK No. 55/POJK.03/2016 dated December 9, 2016 concerning Implementation of Governance for Commercial Banks.
14. SEOJK No. 13/SEOJK.03/2017 dated March 17, 2017 concerning Implementation of Governance for Commercial Banks.
15. SEOJK No. 14/SEOJK.03/2017 dated March 17, 2017 concerning Assessment of the Soundness of Commercial Banks.
16. SEOJK No. 32/SEOJK.04/2015 dated November 17, 2015 concerning Governance Guidelines for Public Companies.

In addition to the provisions mandated by the above mentioned legislative regulations, the Company also used GCG implementation guidelines as a basis, i.e.:

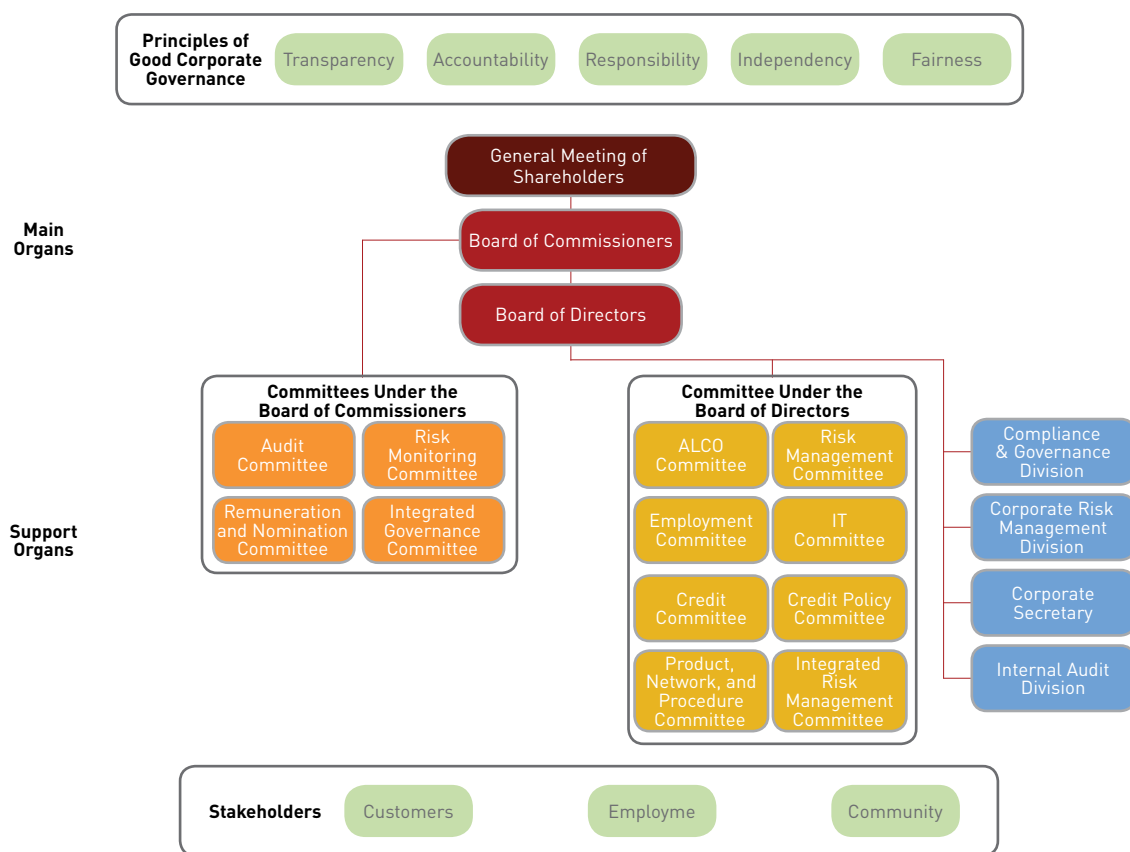
1. Principles of Corporate Governance developed by the Organization for Economic Cooperation and Development (OECD).
2. ASEAN Corporate Governance Scorecard.
3. Indonesian GCG Guidelines developed by the National Committee on Governance Policy (KNKG).
4. Indonesian Banking GCG Guidelines developed by 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 Number	Validation Date
1	Articles of Association	Deed of Establishment of PT Bank Pembangunan Daerah Jawa Timur Number 1 dated May 1, 1999 drawn up before R. Sonny Hidayat Julistyo, Bachelor of Law, Notary in Surabaya which was approved by the Minister of Justice Number: C2-8227. HT.01.01.TH.99 dated May 5, 1999	May 1, 1999
		Deed of Statement of Meeting Resolutions Number 22 dated July 13, 2017 drawn up before Siti Nurul Yuliami, Bachelor of Law, Master of Notary, Notary in Surabaya, who received Notification Receipt from the Ministry of Law and Human Rights of the Republic of Indonesia Number: AHU-AH.01.03-0153694 July 18, 2017	July 13, 2017
		Deed of Decision of the Extraordinary General Meeting of Shareholders Number 92 dated 24 July 2018 drawn up before Sitaresmi Puspawati Subianto, SH, Notary in Surabaya who has received notification from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0226225 dated 26 July 2018	July 24, 2018
		Deed of Restatement of Meeting Resolutions Number 55 dated April 22, 2020 drawn up before Sitaresmi Puspawati Subianto, SH, Notary in Surabaya who received Notification Receipt from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0197642 dated April 23, 2020	April 22, 2020

No.	Guidelines	Guide Number	Validation Date
		Deed of Restatement of Meeting Resolutions Number 175 dated May 20, 2020 drawn up before Sitaesmi Puspawati Subianto, SH, Notary in Surabaya who received Notification Receipt from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHU-0040960.AH.01.02. Year 2020 dated June 16, 2020	May 20, 2020
2	Guidelines for Bank Health Assessment	057/399/DIR/MJR/KEP	December 31, 2018
3	Board of Commissioners Work Guidelines	056/01/DK/KEP	December 27, 2017
4	Directors Work Guidelines	057/206/DIR/CSE/KEP	June 7, 2018
5	Board of Commissioners Committee Implementation Guidelines	058/002/DK/KEP	April 23, 2019
6	Board of Directors Committee Charter	057/299/DIR/CSE/KEP	October 1, 2018
7	Guidelines for Implementation of Conflicts of Interest	059/222/DIR/KPT/KEP	August 18, 2020
8	Compliance Guidelines	059/220/DIR/KPT/KEP	August 14, 2020
9	Internal Audit Guidelines	059/139/DIR/AUI/KEP	June 3, 2020
10	Guidelines for Implementing Risk Management Policies	059/126/DIR/MJR/KEP	May 6, 2020
11	Guidelines for Provision of Large Funds (Large Exposures)	057/142/DIR/PGP/PMK/KEP	March 28, 2018
12	Bank Business Plan Guidelines	059/211/DIR/PRS/KEP	August 13, 2020
13	Anti Fraud Strategy Guidelines	050/009/KEP/DIR/AI	June 29, 2012
14	Whistleblowing System Guidelines	050/009/KEP/DIR/AI	June 29, 2012
15	Code of Conduct for Work and Business Ethics	058/116/DIR/PRS/KEP	May 14, 2019
16	Integrated Governance Implementation Guidelines for Financial Conglomerates.	059/305/KEP/DIR/KPTH	December 31, 2015
17	LHKPN Implementation Guidelines	057/401/DIR/KPT/KEP	December 31, 2018
18	Market Code of Conduct Guidelines	057/008/DIR/KEP/TRE	January 11, 2018

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

Referring to the Company's Articles of Association number 22 dated July 13, 2017, the rights of shareholders are stated as follows:

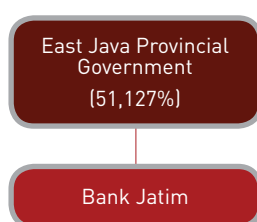
- Series A is shares which give special rights to their holders in the attendance and approval quorum as referred to in Article 14 of the Articles of Association for:
 - Attending and approving the appointment, dismissal and approval of the resignation of the Directors and Board of Commissioners.
 - Attending and approving changes in the articles of association for issuance of equity securities or changes in issued and paid up capital.
 - Attending and approving stock deposits in the form of objects other than money, both tangible and intangible objects.
 - 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.
- Except for the special rights as mentioned above, shareholders of series B have the same rights.

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 Company. 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.

Main Shareholders and Control Information

The majority share ownership of Bank Jatim was owned by the East Java Provincial Government with a share ownership of 51.127%. Thus, the Main and Controlling Shareholders of Bank Jatim were the Government of East Java Province so that there are no Main and Controlling Shareholders indirectly, up to individual owners, and there were no Shareholders acting on behalf of other shareholders.



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.

The Process of Implementing a GMS and Voting

The GMS is held by making announcements and summons to the Shareholders of the Company. 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.

In the meeting, each share gives the owner the right to cast 1 (one) vote. 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 Company.

Implementation of Annual GMS For Fiscal Year 2019 and Its Realization

Information	Announcement	Invitation	Implementation	AGM Result
Notifying that a meeting will be held to the Financial Services Authority with the letter number: - 059/139/DIR/CSE/ Srt dated 11 March 2020. - 059/187/DIR/CSE/ Srt dated 02 April 2020.	Advertising Announcement of a Meeting with Shareholders on Newspapers, KSEI website, IDX website and Company website on 18 March 2020.	Advertising Announcement of a Meeting with Shareholders on Newspapers, KSEI website, IDX website and Company website on 02 April 2020.	Held on April 24, 2020, at the Bank Jatim Head Office.	<ul style="list-style-type: none"> - Submission of the Summary of Minutes to the Financial Services Authority with letter number 059/230 / DIR / CSE / Srt on April 28, 2020 and listed in the Bisnis Indonesia newspaper published on April 28, 2020. - Submission of Minutes to the Financial Services Authority with letter number 059/253 / DIR / CSE / Srt on May 15, 2020.

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 Annual GMS For Fiscal Year 2019

The Board of Commissioners and Directors of Bank Jatim who attended the 2019 Annual GMS are as follows.

No.	Name	Position	Attendance
1.	Akhmad Sukardi	President Commissioner	Present
2.	Heru Tjahjono	Commissioner	Present
3.	Budi Setiawan	Commissioner	Present
4.	Rudi Purwono	Independent Commissioner	Present
5.	Candra Fajri Ananda	Independent Commissioner	Present
6.	Muhammad Mas'ud	Independent Commissioner	Present
7.	Ferdian Timur Satyagraha	Finance Director	Present
8.	Erdianto Sigit Cahyono	Compliance and Risk Management Director	Present
9.	Rizyana Mirda	Business Risk Director	Present
10.	Busrul Iman	Commerce and Corporation Director	Present
11.	Tonny Prasetyo	Information Technology and Operations Director	Present

Decisions and Realization of the Annual GMS For Fiscal Year 2019

First Meeting Agenda

Approval of the Company's Annual Report regarding the Condition and Operations of the Company during the 2019 Fiscal Year Including the Report on the Implementation of Supervisory Duties of the Board of Commissioners during the 2019 Financial Year and Ratification of the Company's Financial Statements for the 2019 Financial Year.

The Minutes of the Meeting state the number of Shareholders who raised questions and/or gave an opinion as many as 1 (one) person.

Voting Results

Agree : 13,401,287,205 Shares (99.697%), consisting of 11,934,147,982 Series A Shares and 1,467,139,223 Series B Shares
 Disagree : None
 Abstention : 40,770,968 Shares (0.303%), all of which are Series B Shares

Decision

1. Approve and certify:
 - a. The Company's Annual Report submitted by the Board of Directors for the 2019 Financial Year.
 - b. Supervisory Task Report that has been carried out by the Board of Commissioners for the 2019 Financial Year.
 - c. The Company's Financial Statements for the financial year ended 31 December 2019 which have been audited by Public Accountants Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners in accordance with their report No: 00007/3.0355/AU.1/07/11922/1 /I/202 dated January 30, 2020, with a fair opinion in all material respects in accordance with generally accepted accounting principles in Indonesia
2. With the approval and ratification of the Annual Report, the Supervisory Report of the Board of Commissioners and the Company's Financial Statements for the 2019 Financial Year, the GMS will provide full settlement and release from responsibility (acquitté et de charge) to all members of the Board of Directors for management actions and to all members. The Board of Commissioners for the supervisory actions that have been carried out during the financial year ended 31 December 2019 to the extent that these actions are reflected in the Company's Financial Statements.

Status: Realized**Second Meeting Agenda**

Determination of the use of the Company's Net Profits for the 2019 Fiscal Year including the provision of bonuses for employees as well as bonuses and remuneration for the Board of Directors and the Board of Commissioners.

The Minutes of Meeting stated that there were no Shareholders who raised questions and/or gave opinions.

Voting Results

Agree : 13,442,058,173 Shares (100%), consisting of 11,934,147,982 Series A Shares and 1,507,910,191 Series B Shares
 Disagree : None
 Abstention : None

Decision

1. Approved the use of the Company's net profit for the 2019 Financial Year as follows:
 - a. As much as IDR 723,747,007,552.40 (seven hundred twenty-three billion seven hundred forty-seven million seven thousand five hundred fifty-two rupiah point forty cents) or 52.58% (fifty two point fifty eight percent) of the net profit for the 2019 Financial Year is determined as a cash dividend for the 2019 Fiscal Year, thus an amount of IDR 48.20 (forty eight rupiah point twenty cents) per share, determined as cash dividend for the Financial Year 2019 will be distributed in cash and distributed to all holders The Company's shares are as of May 8, 2020 and will be paid on May 20, 2020. Next, give the power of attorney and authority to the Board of Directors to regulate the procedures for the payment of such cash dividends.
 - b. As much as IDR 652,758,133,360.60 (six hundred fifty-two billion seven hundred fifty-eight million one hundred thirty-three thousand three hundred sixty rupiah point sixty cents) or 47.42% (forty-seven point forty two percent) is designated as General Reserves.
2. Furthermore, in accordance with the provisions of the applicable Financial Accounting Standards Statement, for the annual net profit, it is agreed that the distribution of employee bonuses and bonuses for 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 for the 2019 Financial Year, is reserved IDR 126,285,228.54 (three hundred forty-four billion one hundred twenty-six million two hundred eighty-five thousand two hundred twenty-eight rupiah point fifty four cents) with the same percentage distribution as the previous year, is as follows:
 - a. Employee bonus of 85% (eighty five percent).
 - b. Tantiem for the Management of the Company, 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 of 15% (fifteen percent) of the total bonus will be paid in cash, and in accordance with the provisions of POJK Number 45/POJK.03/2015 specifically The Board of Directors has a bonus that will be deferred in the form of cash and shares through the Long Terim Incentive program.
3. Giving 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 2020 by taking into account the recommendations of the Remuneration and Nomination Committee and reporting on the Annual Report.

Status: Realized**Third Meeting Agenda**

Giving Power to the Board of Commissioners to Appoint a Public Accountant Firm in Auditing the Company's Financial Statements for the 2020 Fiscal Year.

The Minutes of Meeting stated that there were no Shareholders who raised questions and/or gave opinions.

Voting Results

Agree : 12,992,325,063 Shares (96,654%), consisting of 11,889,537,482 Series A Shares and 1,102,787,581 Series B Shares
 Disagree : 379,295,410 Shares (2,822%), all of which are Series B Shares
 Abstention : 70,437,700 Shares (0.524%), consisting of 44,610,500 Series A Shares and 25,827,200 Series B Shares

Decision

Approving to grant power to the Board of Commissioners to appoint a Public Accounting Firm to audit the Company's Financial Statements for the 2020 Financial Year.

Status: Realized**Fourth Meeting Agenda**

Authorizing the Board of Commissioners to make adjustments to the capital of the company, thereby amending Article 4 of the Articles of Association in connection with the implementation of the Management and Employee Stock Option Plan (MESOP).

The Minutes of the Meeting state the number of Shareholders who raised questions and/or gave an opinion as many as 1 (one) person.

Voting Results

Agree : 12,400,527,615 Shares (92,252%), consisting of 11,889,537,482 Series A Shares and 510,990,133 Series B Shares
 Disagree : 971,092,858 Shares (7.224%), all of which are Series B Shares
 Abstention : 70,437,700 Shares (0.524%), consisting of 44,610,500 Series A Shares and 25,827,200 Series B Shares

Decision

Approve:

1. Authorizing the Board of Commissioners to make adjustments to the Company's capital thereby amending Article 4 of the Articles of Association in connection with the implementation of the Management and Employee Stock Option Plan (MESOP) for a period of 1 (one) year from the date of this GMS decision.
2. Authorizing the Board of Commissioners with the right of substitution to take all necessary actions in order to notify the said amendments to the Articles of Association to the relevant agencies.

Status: Realized

Fifth Meeting Agenda

Amendments to the Articles of Association.

The Minutes of Meeting stated that there were no Shareholders who raised questions and/or gave opinions.

Voting Results

Agree : 12,163,046,364 Shares (90.485%), consisting of 11,862,056,231 Series A Shares and 300,990,133 Series B Shares
 Disagree : 1,181,092,858 Shares (8.786%), all of which are Series B Shares
 Abstention : 97,918,951 Shares (0.728%), consisting of 72,091,751 Series A Shares and 25,827,200 Series B Shares

Decision

1. Approving the amendments to Article 3 of the Articles of Association in connection with the purposes and objectives and business activities of the Company.
2. Giving the authority and power to the Board of Directors of the Company to make adjustments to the Articles of Association of the Company by amending article 3 with respect to the objectives and objectives as well as business activities.
3. Providing power of attorney with substitution rights to the Company's Board of Directors to take all necessary actions in the context of requesting approval, reporting and registering amendments to the Articles of Association to the relevant agencies.

Status: Realized

Sixth Meeting Agenda

Determination of Management Composition.

The Minutes of the Meeting state the number of Shareholders who raised questions and/or gave an opinion as many as 1 (one) person.

Voting Results

Agree : 12,190,527,515 Shares (90.689%) consisting of 11,889,537,482 Series A Shares and 300,990,033 Series B Shares
 Disagree : 1,181,092,858 Shares (8.786%), all of which are Series B Shares
 Abstention : 70,437,800 Shares (0.524%), consisting of 44,610,500 Series A Shares and 25,827,200 Series B Shares

Decision

1. To honorably dismiss Mr. Hadi Santoso as the Director of the Company with his utmost gratitude for the contribution of energy and thoughts given during his tenure.
2. Cancellation of appointment:
 - a. Mr. Hadi Santoso (President Director) and Mr. Elfaurid Aguswantoro (Director of Consumer, Retail and Sharia Business) based on Article 26 POJK Number 17/POJK.03/ 2016 and Roman IX numbers 8 and 9 SE0JK Number 39/SE0JK.03/2016 concerning Fit and Proper Assessment for Main Parties of Financial Services Institutions.
 - b. Mr. M. Ridwan Nasir (Sharia Supervisory Board) based on FSA letter Number SR-10/KR.04/2020 dated February 28, 2020 due to failing to pass the Fit and Proper Test by the Financial Services Authority.

Accordingly, the composition of the Board of Directors and the Sharia Supervisory Board is as follows:

Directors:

President Director : -
 Director of Finance : Ferdian Timur Satyagraha
 Director of Compliance and Risk Management : Erdianto Sigit Cahyono
 Director of Business Risk : Rizyana Mirda
 Director of Commercial and Corporate : Busrul Iman
 Director of IT and Operations : Tonny Prasetyo
 Director of Consumer, Retail and Sharia Business : -

Sharia Supervisory Board::

- M. Khafifuddin alias Afifuddin Muhajir (in the previous AGM decision written the name Afifuddin Muhajir on the KTP written M. Khafifuddin).
 - M. Sa'ad IH alias Saad Ibrahim (in the previous GMS decision the name Saad Ibrahim was written, on the ID Card it was written M. Sa'ad IH).
- To fill the vacant position of the Board of Directors, in accordance with Article 15 paragraph 10 of the Articles of Association, within 90 (ninety) days from this GMS, the Company must hold an EGMS to fill the vacant position with due observance of the provisions of the prevailing laws and regulations, including regulations, in the capital market sector in Indonesia.
3. The GMS authorizes the Board of Commissioners to divide the duties of the Director who is still vacant to the existing Directors.
 4. The GMS authorizes the Board of Commissioners to distribute the Structure of Chairperson and Members of the Sharia Supervisory Board.
 5. Provide power and authority with substitution rights to the Board of Directors of the Company to carry out all necessary processes and actions including notification to the regulator (Financial Services Authority/Indonesian Stock Exchange/Ministry of Law and Human Rights) as required in the prevailing laws and regulations.

Status: Realized

Implementation of 2020 Extraordinary GMS and Its Realization

Information	Announcement	Invitation	Implementation	AGM Result
Notifying that a meeting will be held to the Financial Services Authority with the letter number: - 059/320/DIR/CSE/ Srt dated 09 June 2020. - 059/347/DIR/CSE/ Srt dated 01 July 2020.	Advertising Announcement of a Meeting with Shareholders on Newspapers, KSEI's website, IDX website and the Company's website number 059/326/DIR/CSE/ Srt on 16 June 2020	Advertising Summons regarding a Meeting of Shareholders on Newspapers, KSEI website, IDX website and Company website number 059/348/DIR/CSE/ Srt dated 01 July 2020	Held on July 23, 2020 at the Bank Jatim Head Office.	- Submission of the Summary of Minutes to the Financial Services Authority with letter number 059/408/DIR/CSE/Srt on August 4, 2020 and listed on the Indonesia Stock Exchange website, eASY. KSEI and has been uploaded to the Company's website on July 27, 2020. - Submission of Minutes to the Financial Services Authority with letter number 059/423/DIR/CSE/ Srt on August 18, 2020

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 2020 Extraordinary GMS

Table of Attendance Recapitulation at the 2020 Extraordinary GMS

No.	Name	Position	Attendance
1.	Akhmad Sukardi	President Commissioner	Present
2.	Heru Tjahjono	Commissioner	Present
3.	Muhammad Mas'ud	Independent Commissioner	Present
4.	Candra Fajri Ananda	Independent Commissioner	Present
5.	Rudi Purwono	Independent Commissioner	Present
6.	Budi Setiawan	Commissioner	Present
7.	Ferdian Timur Satyagraha	Finance Director	Present
8.	Erdianto Sigit Cahyono	Compliance and Risk Management Director	Present
9.	Rizyana Mirda	Business Risk Director and Act Retail Consumer and Sharia Business Director	Present
10.	Tonny Prasetyo	Information Technology and Operations Director	Present

Decisions and Realization of the Extraordinary GMS In 2020

First Meeting Agenda and Second Meeting Agenda

Voting Agreeing to be Appointed in the 3rd Agenda as President Director of Candidates Who Received Approval of the Fit and Proper Test Results from the Financial Services Authority.

Voting Results

- Whereas the agreed vote for the Candidate for President Director Mr. Busrul Iman was 10,702,772,324 (ten billion seven hundred two million seven hundred seventy-two thousand three hundred and twenty four) votes.
- Whereas the votes agreed to the Candidate for President Director Mr. Erdianto Sigit Cahyono 1,425,123,096 (one billion four hundred twenty-five million one hundred twenty three thousand and ninety-six) votes.

Decision

Based on the most agreed votes was Brother Busrul Iman, thus the candidate for President Director who would be proposed for a decision to be appointed as President Director at the 3rd Agenda of the Meeting was Brother Busrul Iman.

Status: Realized

Third Meeting Agenda

Appointment of the President Director of the Company.

The Minutes of Meeting state the number of Shareholders who raised questions and/or gave an opinion as many as 1 (one) person.

Voting Results

Agree : 12,530,571,687 Shares (95.167%), consisting of 11,704,581,940 Series A Shares and 825,989,747 Series B Shares
Disagree : 40,136,226 Shares (0.304%), all of which are Series B Shares
Abstention : 596,165,737 Shares (4.527%), consisting of 229,566,042 Series A Shares and 366,599,695 Series B Shares

Decision

1. To honorably dismiss Mr. Busrul Iman, Bachelor of Economics, Master of Management, Accountant as Director of Commercial and Corporate Affairs as of the closing of this meeting with a deep Thank You for the contribution of energy and thoughts given during his tenure as Directors.
2. Approving and appointing Mr. Busrul Iman, Bachelor of Economics, Master of Management, Accountant as President Director as of the closing of this meeting with the term of office ending at the close of the 5th (fifth) Annual General Meeting of Shareholders since the date of his appointment. So that the composition of the Board of Directors of the Company becomes:

Directors:

President Director	: Busrul Iman, Sarjana Ekonomi, Magister Manajemen, Akuntan
Director of Finance	: Ferdian Timur Satyagraha, Bachelor of Commerce, Master of Commerce
Director of Compliance and Risk Management	: Erdianto Sigit Cahyono, Sarjana Administrasi Negara, Magister Manajemen, Doktor Politik Internasional
Director of Business Risk	: Rizyana Mirda, Sarjana Ekonomi
Director of Commercial and Corporate	: -
Director of IT and Operations	: Tonny Prasetyo, Sarjana Pertanian
Director of Consumer, Retail and Sharia Business	: -

3. Regarding the filling of the vacant position of the member of the Board of Directors, approval will be requested at the nearest General Meeting of Shareholders to be held by the Company, taking into account the current conditions. This may exceed the time limit for filling the vacant position of a member of the Board of Directors as stipulated in the Articles of Association of the Company.
4. Providing power and authority with substitution rights to the Board of Directors of the Company to carry out all necessary processes and actions including notification to the regulator (Financial Services Authority / Indonesian Stock Exchange / Ministry of Law and Human Rights) as required in the prevailing laws and regulations.
5. The GMS authorizes the Board of Commissioners to divide the duties of the Director who is still vacant to the existing Directors.

Status: Realized**Fourth Agenda**

Adjustment of the tenure of the Company's Management to the Company's Articles of Association.

Decision

The 4th (fourth) agenda cannot be discussed at the GMS so there is no further decision.

Status: Realized**Implementation of Annual GMS For Fiscal Year 2018 and Its Realization**

Information	Announcement	Invitation	Implementation	AGM Result
Notification to the Financial Services Authority with letter No. 058/091/DIR/CSE/Srt on March 11, 2019	Advertise Announcement of GMS Summons in Bisnis Indonesia newspaper, Indonesia Stock Exchange website, OJK website, Company website on March 20, 2019	Advertise the Summons of shareholders in the Bisnis Indonesia newspaper, the Indonesia Stock Exchange website, the OJK website, the Company's website on April 4, 2019	April 26, 2019 was held at the Bank Jatim Head Office.	Submission of Summary of Minutes to the Financial Services Authority with letter No. 058/167/DIR/CSE/Srt on April 30, 2019 and listed in the Bisnis Indonesia newspaper published on April 30, 2019

Vote Counting Independent Parties

The Company has appointed independent parties, namely Notary Sitaresmi Puspadewi Subianto and PT Datindo Entrycom as the Securities Administration Bureau in calculating and/or validating votes.

Attendance Recapitulation at the Annual GMS For Fiscal Year 2018

No.	Name	Position	Attendance
1.	Akhmad Sukardi	President Commissioner	Present
2.	Rudi Purwono	Independent Commissioner	Present
3.	Candra Fajri Ananda	Independent Commissioner	Present
4.	Budi Setiawan	Commissioner	Present
5.	Soeroso	President Director	Present
6.	Hadi Santoso	Compliance and Human Capital Director	Present
7.	Ferdian Timur Satyagraha	Finance Director	Present
8.	Rizyana Mirda	Risk Management Director	Present

No.	Name	Position	Attendance
9.	Tony Sudjiaryanto	Retail Consumer and Sharia Business Director	Present
10.	Su'udi	Medium and Corporation Director	Present
11.	Rudie Hardiono	Operations Director	Present

Decisions and Realization of the Annual GMS For Financial Year 2018

First Meeting Agenda

Approval of the Company's Annual Report Concerning the State of the Company during the 2018 Fiscal Year, including the Report on the Implementation of the Supervisory Board of the Board of Commissioners during the 2018 Fiscal Year and Ratification of the Financial Statements of the 2018 Fiscal Year.

The Minutes of the Meeting state that the number of Shareholders who raised questions and/or gave an opinion was 3 (three) people.

Voting Results

Agree : 13,180,181,200 Shares (99.6935045%), consisting of 11,934,147,982 Series A Shares and 1,246,033,218 Series B Shares
 Disagree : 59,300 Shares (0.0004485%), all of which are Series B Shares
 Abstention : 40,461,568 Shares (0.3060470%), all of which are Series B Shares

Decision

- Approved and Validated:
 - Annual Report of the Company submitted by the Board of Directors for 2018 Fiscal Year.
 - Supervision Report carried out by the Board of Commissioners for 2018 Fiscal Year.
 - Financial Statements for the fiscal year ended on December 31st, 2018 audited by the Public Accounting Firm Paul Hadiwinata, Hidajat, Arsono, Retno, Palillingan & Rekan in accordance with their report No: 00005/3.0355/AU.1/07/1192-11/1/2019 dated January 18, 2019, with a fair opinion in all material respects in accordance with generally accepted accounting principles in Indonesia.
- With the approval and validation of the Annual Report, the Board of Commissioners' Supervisory Report and the Company's Financial Statements for Fiscal Year 2018, the GMS granted full release and discharge of responsibility (acquit et de charge) to all members of Board of Directors for management actions and to all members of Board Commissioners for the supervisory actions carried out during the fiscal year ended on December 31st, 2018 to the extent that such actions are reflected in the Company's Financial Statements.

Status: Realized

Second Meeting Agenda

Determination of the Use of the Company's Net Profit for Fiscal Year 2018 Including the Provision of Bonuses for Employees as well as Tantiem and Remuneration for Board of Directors and Board of Commissioners

The Minutes of the Meeting state the number of Shareholders who raised questions and/or gave an opinion as many as 2 (two) people.

Voting Results

Agree : 12,813,161,948 Shares (96.9174094%) consisting of 11,934,147,982 Series A Shares and 879,013,966 Series B Shares
 Disagree : 407,540,120 Shares (3.0825906%), all of which are Series B Shares
 Abstention : None

Decision

- Approving the Use of the Company's Profits for the 2018 Financial Year as follows:
 - In the amount of IDR 683,865,985,709.02 (six hundred eighty-three billion eight hundred sixty-five million nine hundred eighty-five thousand seven hundred nine rupiah point zero two cents) or 54.26% (fifty four point twenty six percent) of the net profit for Financial Year 2018 was determined as cash dividend for the 2018 Fiscal Year, thus IDR 45.61 (forty five rupiah point sixty one cent) per share, determined as cash dividend for Financial Year 2018 will be distributed in cash and distributed to all Shareholders registered in the Company's Shareholders Register as of May 9, 2019 and will be paid on May 29, 2019. Subsequently give power and authority to the Board of Directors to regulate the procedures for paying the cash dividend.
 - As much as IDR 576,442,425,790.98 (five hundred seventy-six billion four hundred forty-two million four hundred twenty-five thousand seven hundred ninety rupiah point ninety eight cents) or 45.74% (forty five point seven fourty four percent) is designated as General Reserves.
- Furthermore, in accordance with the provisions of the applicable Financial Accounting Standards regulations, for the Annual Net Profit, it is agreed that the distribution of employee bonuses and bonuses for 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 for the 2018 Financial Year, is reserved IDR 109,699,956.62 (three hundred and fifteen billion one hundred nine million six hundred ninety-nine thousand nine hundred and fifty-six rupiah point sixty-two cents) with the same percentage distribution as the previous year, is as follows:
 - Employee Bonus of 85% (eighty five percent).
 - Tantiem for the Management of the Company, 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 amounting to 15% (fifteen percent). Of the bonus amount will be paid in cash, and according to the provisions of POJK Number 45/POJK.03/2015 specifically for Directors and Commissioners, there is a bonus that will be deferred in the form of cash and shares through the Long Term Incentive program.
- Give authority and power to the Board of Commissioners to determine the remuneration of the Company's management, namely for 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 2019 by taking into account the recommendations of the Remuneration and Nomination Committee and reporting on the Annual Report.

Status: Realized

Third Meeting Agenda

Granting of Power to the Board of Commissioners to Appoint a Public Accounting Firm to Audit the Company's Financial Statements for Fiscal Year 2019.

The Minutes of Meeting stated that there were no Shareholders who raised questions and/or gave opinions.

Voting Results

Agree : 12,762,548,388 Shares (96.5345738%) consisting of 11,934,147,982 Series A Shares and 828,400,406 Series B Shares
 Disagree : 429,572,280 Shares (3.2492395%), all of which are Series B Shares
 Abstention : 28,581,400 Shares (0.2161867%), all of which are Series B Shares

Decision

Approved to grant power to the Board of Commissioners to appoint a public accounting firm to audit the Company's financial statements for fiscal year 2019.

Status: Realized

Fourth Meeting Agenda

Granting of Power to the Board of Commissioners to Adjust Capital of the Company by Amending Article 4 of the Articles of Association Regarding the Management/Employee Stock Option Plan (MESOP).

The Minutes of Meeting stated that there were no Shareholders who raised questions and/or gave opinions.

Voting Results

Agree : 12,112,068,492 Shares (91.6144123%), consisting of 11,934,147,982 Series A Shares and 177,920,510 Series B Shares
 Disagree : 1,080,050,176 Shares (8.1693858%), all of which are Series B Shares
 Abstention : 28,583,400 Shares (0.2162018%), all of which are Series B Shares

Decision

Approved to grant authority to the Board of Commissioners to:

1. Make adjustments to the Company's capital, thereby amending Article 4 of the Articles of Association in connection with the implementation of the Management/Employee Stock Option Plan (MESOP) for a period of 1 (one) year from the date of the resolution of this GMS.
2. Perform all necessary actions in the context of notification of the amendment to the said articles of association to the relevant institutions.

Status: Realized

Fifth Meeting Agenda

Approval for the Buyback Plan for the Implementation of the Long-Term Incentive.

The Minutes of the Meeting state the number of Shareholders who raised questions and/or gave an opinion as many as 2 (two) people.

Voting Results

Agree : 12,589,793,292 Shares (95.2278724%) consisting of 11,934,147,982 Series A Shares and 655,645,310 Series B Shares
 Disagree : 630,824,676 Shares (4.7714915%), all of which are Series B Shares
 Abstention : 84,100 Shares (0.0006361%), all of which are Series B Shares

Decision

1. Approving the implementation of the Buyback of the Company's Shares for the Implementation of the 2018/2019 Long Term Incentive Program with a maximum allocation of funds of IDR 1,200,000,000.00 (one billion two hundred million rupiah) taken from the amount of tantiem that has been budgeted for the 2018 financial year and has been approved in the 2nd (second) agenda and the Implementation of Shares Buyback for a period from 1 May 2019 to 31 July 2019.
2. Granted authority and power to the Board of Directors of the Company to carry out share buyback by taking into account the prevailing laws and regulations.
3. Granted authority and power to the Board of Directors with the approval of the Board of Commissioners to determine the terms and conditions of the Long-Term Incentive Program, then report to the Annual General Meeting of Shareholders on the implementation of the Allocation of Shares in the Long-Term Incentive Program.

Status: Realized

Sixth Meeting Agenda

Changes in the composition of Bank's Management

The Minutes of the Meeting state the number of Shareholders who raised questions and/or gave an opinion as many as 2 (two) people.

Voting Results

Agree : 12,112,157,892 Shares (91.6150884%), consisting of 11,934,147,982 Series A Shares and 178,009,910 Series B Shares
 Disagree : 1,079,515,376 Shares (8.1653408%), all of which are Series B Shares
 Abstention : 29,028,800 Shares (0.2195708%), all of which are Series B Shares

Decision

1. To honorably dismiss the Board of Directors whose term of office ended at the closing of the Meeting with a deep Thank You for the contribution of energy and thoughts given during his tenure as the Board of Directors, including

Board of Director

President Director	: R. Soeroso
Medium and Corporation Director	: Su'udi
Retail Consumer and Sharia Business Director	: Tony Sudjiaryanto
Operations Director	: Rudie Hardiono

Mr. Hadi Santoso, as Compliance and Human Capital Director whose term of office expires at the closing of the AGMS for 2018Fiscal Year, was not dismissed as of the closing of the GMS with the consideration that the Remuneration and Nomination Committee was conducting a selection of candidates for the Directors of Bank Jatim.

Then, the dismissal of Mr. Hadi Santoso as of the closing of the Extraordinary GMS to be held in 2019 was approved.

Thus the current composition of the Board of Directors:

Board of Director

President Director ¹⁾	: -
Medium and Corporation Director ¹⁾	: -
Retail Consumer and Sharia Business Director ¹⁾	: -
Operations Director ¹⁾	: -
Compliance and Human Capital Director	: Hadi Santoso
Risk Management Director	: Rizyana Mirda
Finance Director	: Ferdian Timur Satyagraha

¹⁾Vacant board of directors.

2. To fill the vacant position of the Board of Directors, in accordance with Article 15 paragraph 10 of the Articles of Association, within 90 days from this GMS the Company must hold a GMS to fill the vacancies with the provisions of the prevailing laws and regulations, including regulations in the capital market sector in Indonesia.
3. The GMS authorized the Board of Commissioners to distribute the duties of the Director who is still vacant to the existing Directors;
4. Respectfully dismissed the Sharia Supervisory Board whose term of office has ended at the closing of the meeting with thanks for the contribution of energy and thoughts given during his tenure as the Sharia Supervisory Board as follows:

Sharia Supervisory Board

Chairman: H. Ali Aziz
 Member : H. Thohir Luth
 H. Nur Syam

5. Approved and appointed:
 Mr. Saad Ibrahim;
 Mr. M. Ridlwan Nasir;
 Mr. Afifuddin Muhajir
 Effective since the closing of this Meeting with the term of office of the Sharia Management Board until the closing of the 4th AGM and is effective after obtaining a recommendation from the National Shariah Board of the Indonesian Ulama Council and after obtaining the approval of the Financial Services Authority.
6. The GMS authorized the Board of Commissioners to share the structure of the Chairman and Members of the Sharia Supervisory Board.
7. Granted authority with substitution rights to the Board of Directors of the Company to carry out all the processes and actions needed including notification to the regulator (Financial Services Authority/Indonesian Stock Exchange/Ministry of Law and Human Rights) as required in the prevailing laws and regulations.

Status: Realized

Implementation of 2019 Extraordinary GMS and Its Realization

Information	Announcement	Invitation	Implementation	AGM Result
Notification to the Financial Services Authority with letter No. 058/169/DIR/CSE/Srt on May 6, 2019	Advertise Announcement of GMS Summons in Bisnis Indonesia newspaper, Indonesia Stock Exchange website, OJK website, Company website on May 13, 2019	Advertise the Summons of shareholders in the Bisnis Indonesia newspaper, the Indonesia Stock Exchange website, the OJK website, the Company's website on May 28, 2019	July 19, 2019 was held at the Bank Jatim Head Office.	Submission of Summary of Minutes to the Financial Services Authority with letter No. 058/256/DIR/CSE/Srt on June 21, 2019 and listed in the Bisnis Indonesia newspaper published on June 21, 2019

Vote Counting Independent Parties

The Company has appointed independent parties, namely Notary Sitaresmi Puspawati Subianto and PT Datindo Entrycom as the Securities Administration Bureau in calculating and/or validating votes.

Attendance Recapitulation at the Extraordinary GMS of 2019

Table of Attendance Recapitulation at the 2019 Extraordinary GMS

No.	Name	Position	Attendance
1.	Akhmad Sukardi	President Commissioner	Present
2.	Candra Fajri Ananda	Independent Commissioner	Present
3.	Rudi Purwono	Independent Commissioner	Present
4.	Budi Setiawan	Commissioner	Present
5.	Ferdian Timur Satyagraha	Finance Director	Present
6.	Hadi Santoso	Compliance and Human Capital Director	Present
7.	Rizyana Mirda	Risk Management Director	Present

Decisions and Realization of the Extraordinary GMS In 2019

Meeting Agenda

Changes in the Composition of the Management of the Company.

The Minutes of the Meeting state the number of Shareholders who raised questions and/or gave their opinion as many as 4 (four) people.

Voting Results

Agree : 12,094,540,464 Shares (91.3152764%) consisting of 11,934,147,982 Series A Shares and 160,392,482 Series B Shares

Disagree : 1,121,235,367 Shares (8.4654657%), all of which are Series B Shares

Abstention : 29,040,300 Shares (0.2192579%), all of which are Series B Shares

Decision

1. Respectfully dismissed Mr. Hadi Santoso as Director of Compliance & Human Capital for the first period since the closing of this meeting with a deep thank you for the contribution of energy and thoughts given during his tenure as Directors, and reappointing Mr. Hadi Santoso as Director of the Company, taking into account the provisions of POJK Number 27/POJK.03/2016 and SEOJK Number 39/SEOJK.03/2016 concerning the Fit and Proper Test for Main Parties of Financial Services Institutions, then he will serve as the President Director effectively after passing the Fit and Proper Test by the Authority. Financial Services.

2. Approved and appointed:

Board of Commissioner:

1. Mr. Mas'ud Said as an Independent Commissioner*

2. Mr. Heru Tjahjono as a Commissioner*

Effective since the closing of this Meeting until the end of term of office on the closing of the 4th Annual General Meeting of Shareholders since their appointment date, or after their replacement passes the Fit-and-Proper Test by the Financial Services Authority.

Board of Director:

1. Mr. Hadi Santoso as the President Director*

2. Mr. Busrul Iman as the Commerce and Corporation Director*

3. Mr. Elfauaid Aguswantoro as the Consumer, Retail, and Sharia Business Director*

4. Mr. Tonny Prasetyo as the IT & Operations Director*

5. Mr. Erdianto Sigit Cahyono as the Compliance and Risk Management Director*

Effective since the closing of this Meeting until the end of term of office on the closing of the 5th Annual General Meeting of Shareholders since their appointment date, or after their replacement passes the Fit-and-Proper Test by the Financial Services Authority.

*Effective since the passing of Fit-and-Proper Test by the Financial Services Authority.

3. Granted power to the Board of Commissioners to conduct division of Board of Directors' duties to the available Directors

4. Granted power and authority, with substitution rights, to the Bank's Board of Directors to conduct all processes and actions necessary, including announcing to the regulators (Financial Services Authority/Indonesia Stock Exchange/Ministry of Law and Human Rights) as required in the prevailing laws and regulations.

Hence, the composition of Board of Commissioners and Board of Directors of the Bank shall be as follows:

Board of Commissioner

- | | |
|-----------------------------|---------------------------|
| 1. President Commissioner | : Mr. Akhmad Sukardi |
| 2. Independent Commissioner | : Mr. Rudi Purwono |
| 3. Independent Commissioner | : Mr. Candra Fajri Ananda |
| 4. Commissioner | : Mr. Budi Setiawan |
| 5. Independent Commissioner | : Mr. Muhammad Mas'ud* |
| 6. Commissioner | : Mr. Heru Tjahjono* |

Board of Director

- | | |
|---------------------------------------------------|--------------------------------|
| 1. President Director | : Mr. Hadi Santoso* |
| 2. Commerce & Corporation Director | : Mr. Busrul Iman* |
| 3. Consumer, Retail, and Sharia Business Director | : Mr. Elfauaid Aguswantoro* |
| 4. Business Risk Director | : Mrs. Rizyana Mirda |
| 5. IT & Operations Director | : Mr. Tonny Prasetyo* |
| 6. Finance Director | : Mr. Ferdian Timur Satyagraha |
| 7. Compliance and Risk Management Director | : Mr. Erdianto Sigit Cahyono* |

Status: Realized

Board of Commissioners

The Board of Commissioners is the Company's 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 the following duties and responsibilities:

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.
 - 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.

Duties and Responsibilities of President Commissioner

In accordance with the Regulation of Financial Services Authority (POJK No. 55/POJK.03/2016 regarding 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.
 - 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. Meetings of the Board of Commissioners produce clear decisions and are recorded in 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.
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.

Rights and Authorities of the Board of Commissioners

The rights and powers of the Board of Commissioners are to:

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.

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 the Board of Commissioners is calculated since their passing of fit-and-proper test by the OJK or since the closing of the appointment GMS until the closing of the 4th Annual GMS since the date of his appointment, or after their successor passes the fit-and-proper test by the Financial Services Authority, and may be reappointed for the second term of office, after taking into account the applicable provisions of the Financial Services Authority and deemed to be able to carry out their functions properly, without prejudice to the right of the GMS to dismiss them 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. Believe in God Almighty.
 - 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. Have a good financial track record, proven by documents that have been issued by the competent authority.
6. Meet other requirements as specified.

The Process of Nomination and Election of the Board of Commissioners

In the process of Nomination and Election of the Board of Commissioners of Bank Jatim, a policy had been formulated regarding the selection/replacement of the Board of Commissioners, namely the Implementation Manual Book (BPP) on the System and Procedure for Election and/or Replacement of Members of the Board of Commissioners and Members of the Board of 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.

The purpose of formulating the policy for the selection and/or replacement of the members of the Board of Commissioners is as a guide in the process of selecting/replacing members of the Board of Commissioners in accordance with applicable regulations, and to ensure that the implementation of good corporate governance is carried out in every process of nominating/selecting members of the Board of Commissioners.

The nomination and selection process for the Board of Commissioners is proposed to the GMS by taking into account the recommendations of the Board of Commissioners through the Remuneration and Nomination Committee first. In the process of selecting and/or replacing members of the Board of Commissioners, there are 2 (two) patterns in its implementation, namely:

1. Pattern 1, where the Candidate for Members of the Board of Commissioners after an internal evaluation will be determined at the General Meeting of Shareholders who will then take part in a Fit & Proper Test by the Financial Services Authority (OJK). Prospective members of the Board of Commissioners are effective if they have passed the Fit & Proper Test by the Financial Services Authority (OJK).
2. Pattern 2, in which the Candidate for Members of the Board of Commissioners after an internal evaluation will take part in the Fit & Proper Test by the Financial Services Authority (OJK), if it has passed the Fit & Proper Test, it will then be determined at the General Meeting of Shareholders and will be effective since stipulated in General Meeting of Shareholders.

Board of Commissioners Charter

The Board of Commissioners has the Board of Commissioners No. 057/01/DK/KEP dated May 31, 2018 concerning the Board of Commissioners Charter. Work guidelines are evaluated periodically and updated with reference to applicable rules and regulations.

The Board of Commissioners Charter 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 the Board of Commissioners' Charter 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.

The Board of Commissioners Charter of Bank Jatim were last updated on May 31, 2018. The contents of Board of Commissioners Charter regulate the following matters:

Governance Structure

- Board of Commissioners Composition
- Board of Commissioners Criteria
- Term of Office
- Duties, Obligations, Authority, Responsibilities, Prohibitions
- Organization

Governance Process

- Division of work
- Working time
- Work Ethics
- Supervision Mechanism
- Board of Commissioners Meeting
- Workflow & Mechanism

Governance Outcome

- Report
- Means of Correspondence
- Letter Distribution

Composition and Basis of Appointment of the Board of Commissioners

The entire Board of Commissioners of Bank Jatim passed fit and proper without notes and has received approval from the OJK, indicating that each member of the Board of Commissioners had adequate integrity, competence and financial reputation in accordance with FSA Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for Main Parties of Financial Services Institutions, which stated that candidates for the Board of Commissioners must obtain approval from the FSA before carrying out their actions, duties and functions as the Board of Commissioners.

During 2020, the composition of the members of the Company's Board of Commissioners did not change. Thus, the composition of the Board of Commissioners of Bank Jatim during 2020 amounted to 6 (six) people consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners and 2 (two) Commissioners. The entire Board of Commissioners is domiciled at the Bank Jatim Head Office.

Name	Position	Executor	Rapture Basis	Effective Date
Akhmad Sukardi	President Commissioner	Financial Services Authority	Annual GMS for the 2017 Fiscal Year on February 20, 2018	August 9, 2018
Rudi Purwono	Independent Commissioner	Financial Services Authority	Extraordinary GMS on June 24, 2016	September 16, 2016
Candra Fajri Ananda	Independent Commissioner	Financial Services Authority	Annual GMS for the 2017 Fiscal Year on February 20, 2018	September 21, 2018
Muhammad Mas'ud	Independent Commissioner	Financial Services Authority	Extraordinary GMS on July 19, 2019	October 11, 2019
Budi Setiawan	Commissioner	Financial Services Authority	Annual GMS for the 2017 Fiscal Year on February 20, 2018	August 9, 2018
Heru Tjahjono	Commissioner	Financial Services Authority	Extraordinary GMS on July 19, 2019	October 11, 2019

Orientation Program For New Commissioners

The Orientation Program is very important to be implemented, because the members of the Commissioners 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 Commissioners who have served 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 2020 there were no new Commissioners, so there was no orientation for new Commissioners.

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, the division of duties of each member of the Board of Commissioners has been determined. The supervisory duties of the Board of Commissioners do not reduce the rights, obligations, responsibilities and authorities of each member of the Board of Commissioners in carrying out their functions and duties. The division of functions, duties and responsibilities of the Board of Commissioners is as follows.

Table of the Division of Duties of the Board of Commissioners

Name	Position	Task Field
Akhmad Sukardi	President Commissioner	Member of Remuneration and Nomination Committee
Rudi Purwono	Independent Commissioner	Chairman of Audit Committee Member of Remuneration and Nomination Committee Member of Risk Monitoring Committee
Candra Fajri Ananda	Independent Commissioner	Chairman of Remuneration and Nomination Committee Member of Risk Monitoring Committee Member of Audit Committee
Muhammad Mas'ud	Independent Commissioner	Chairman of Risk Monitoring Committee Member of Audit Committee Member of Remuneration and Nomination Committee
Budi Setiawan	Commissioner	Member of Remuneration and Nomination Committee
Heru Tjahjono	Commissioner	Member of Remuneration and Nomination Committee

Affiliates of the Board of Commissioners

Affiliation Relationship of the Board of Commissioners in accordance with Article 39 of OJK Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks states that members of the Board of Commissioners are required to disclose their financial and family relationships with other members of the Board of Commissioners, members of the Board of Directors and/or controlling shareholders of the Bank in the governance implementation report.

Members of the Board of Commissioners of Bank Jatim did not have an affiliated relationship both family and financially with fellow members of the Board of Commissioners, Board of Directors and Controlling Shareholders. The Board of Commissioners and Directors of Bank Jatim had integrity and independence and did not have a conflict of interest that could interfere with their ability to carry out their duties professionally and objectively.

Criteria for affiliation between the Board of Commissioners, the Board of Directors and the Controlling Shareholders include:

1. Affiliation between members of the Board of Directors and the Board of Commissioners.
2. Affiliation between members of the Board of Commissioners and other members of the Board of Commissioners; and
3. Affiliation between members of the Board of Commissioners and Major Shareholders and/or controllers.

Table of Affiliation Relations of the Board of Commissioners

Relations of Financial, Family and Management of Commissioners															
Name	Position	Relation of Financial with						Relation of Family with						Management Relationship with Other Companies	
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Akhmad Sukardi	President Commissioner	✓		✓		✓		✓		✓		✓		✓	
Rudi Purwono	Independent Commissioner	✓		✓		✓		✓		✓		✓		✓	
Candra Fajri Ananda	Independent Commissioner	✓		✓		✓		✓		✓		✓		✓	
Muhammad Mas'ud	Independent Commissioner	✓		✓		✓		✓		✓		✓		✓	
Budi Setiawan	Commissioner	✓		✓		✓		✓		✓		✓		✓	
Heru Tjahjono	Commissioner	✓		✓		✓		✓		✓		✓		✓	

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.

Table of Concurrent Positions of Board of Commissioners

Name	Position	Position in Other Companies/ Agencies	Name of Other Company/Agency
Akhmad Sukardi	President Commissioner	-	-
Rudi Purwono	Independent Commissioner	Deputy Director of Academic Affairs for Student and Alumni	Airlangga University Postgraduate School
Candra Fajri Ananda	Independent Commissioner	Special Staff	Ministry of Finance
Muhammad Mas'ud	Independent Commissioner	Postgraduate Director	Universitas Islam Malang
Budi Setiawan	Commissioner	-	-
Heru Tjahjono	Commissioner	Regional Secretary	East Java Provincial Government

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 non-banks.
 - b. Members of the Board of Directors, members of the Board of Commissioners or Executive Officers in more than 1 (one) non-financial 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 2020, 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, members of the Board of Commissioners are prohibited from taking actions that may harm or reduce the Bank's profits and must disclose the potential conflict of interest in each decision.

Ownership of Board of Commissioners

Table of Board of Commissioners' Share Ownership

Name	Position	Share Ownership in Bank Jatim
Akhmad Sukardi	President Commissioner	833.600 shares (0,0055516 %)
Rudi Purwono	Independent Commissioner	-
Candra Fajri Ananda	Independent Commissioner	-
Muhammad Mas'ud	Independent Commissioner	-
Budi Setiawan	Commissioner	-
Heru Tjahjono	Commissioner	-

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. In 2020, there is 3 (three) Independent Commissioners in PT Bank Pembangunan Daerah Jawa Timur from 6 (six) person of Board of Commissioners or it has 50% composition from the total of The Board of Commissioners

Criteria For Independent Commissioner Determination

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:


Criteria for Independent Commissioner	Independent Commissioner		
	Candra Fajri Ananda	Rudi Purwono	Muhammad Mas'ud
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.

Independent Commissioner Statement

SURAT PERNYATAAN	
Saya yang bertandatangan di bawah ini:	
Nama	: Candia Fajri Ananda
Tempat dan Tanggal Lahir	: Lumajang, 29 Oktober 1964
No. KTP/Paspor	: 357951291054001
Alamat	: Jl. Diponegoro No 14 Kota Batu
Jabatan	: Ketua Bessar UO
Berikut adalah catatan anggota Komite Independen Bank Jatim, untuk dan atas nama diri sendiri, pernyataan bahwa saya:	
1. berkecenderungan untuk mematuhi ketentuan dan peraturan perundang-undangan khususnya di bidang perbankan dan mendukung kebijakan OJK;	
2. tidak pernah dihukum karena terbukti melakukan tindak pidana berupa:	
a) Tindak pidana di Sektor Jasa Keuangan yang penerapannya telah selesai dipaparkan dalam waktu 20 (dua puluh) tahun terakhir sebelum dinyatakan;	
b) Tindak pidana kejahatan yang dilakukan oleh pelaku yang terdapat dalam daftar Undang-undang Hukum Pidana (KUHP) dan/atau yang sejenis KORUP di luar negeri dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih yang penerapannya telah selesai dipaparkan dalam waktu 10 (sepuluh) tahun terakhir sebelum dinyatakan; dan	
c) Tindak pidana lainnya dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih, antara lain korupsi, pencucian uang, narkoba/parkutroptika, penyelundupan, kepatutan, cukai, perdagangan orang, perdagangan senjata gelap, terorisme, pemalsuan uang, dibidang perpajakan, di bidang kesehatan, di bidang lingkungan hidup, di bidang ketenagakerjaan, dan perbankan, yang penerapannya telah selesai dipaparkan dalam waktu 20 (dua puluh) tahun terakhir sebelum dinyatakan;	
3. tidak sedang dilarang untuk menjadi Pihak Utama yang antara lain tidak tercatat dalam Daftar Tindak Lahir;	
4. tidak memiliki kredit dari atau pembiayaan macet;	
5. saya tidak pernah dinyatakan paksa dan/atau tidak pernah menjadi pemegang saham, pengendali, anggota Direksi, atau anggota Dewan Komisaris yang dinyatakan bersalah menyebabkan suatu perusahaan dinyatakan paksa dalam waktu 5 (lima) tahun terakhir sebelum tanggal pengajuan permohonan;	
6. tidak merupakan pengendali, anggota Direksi atau anggota Dewan Komisaris dari badan hukum yang mempunyai kredit dari/atau pembiayaan macet;	
7. tidak menyalahgunakan jabatan sebagai anggota Dewan Komisaris, anggota Direksi atau pejabat lainnya yang dipercayakan dalam ketentuan yang berlaku;	
8. tidak saling memiliki hubungan keluarga sampai dengan derajat kedua termasuk besan dengan sesama anggota Direksi atau anggota Dewan Komisaris;	
9. berkecenderungan mengembangkan operasional Bank yang sehat dan mendukung kebijakan OJK;	
10. tidak akan melakukan tindakan yang melanggar peraturan dan/atau tindakan yang menyebabkan yang bersangkutan termasuk sebagai pihak yang dilarang untuk menjadi Pihak Utama;	
11. saya tidak sedang menjalani proses hukum tidak sedang dalam proses penelaahan kemampuan dan kapabilitas, dan/atau tidak sedang menjalani proses penilaian kembali karena terdapat indikasi permasalahan integritas dan/atau keyakinan / reputasi keuangan pada suatu LJK;	
12. bersedia menerima hukuman yang diberikan kepadanya dan/atau tidak akan mengajukan tuntutan atau gugatan dalam bentuk apapun terhadap hasil penilaian kemampuan dan kapabilitas yang ditetapkan oleh Otoritas Jasa Keuangan;	
13. merupakan pihak yang independen terhadap pemilik bank atau PGP;	
14. tidak memiliki hubungan keuangan, kepemilikan, kepentingan saham dan/atau hubungan keluarga dengan anggota dewan komisaris lainnya, anggota dewan direksi bank lain, pemegang saham pengendali atau hubungan lain yang dapat mempengaruhi kemandiriannya untuk bertindak independen.	
Apabila ternyata di kemudian hari pernyataan saya terbukti di atas terbukti tidak benar dan/atau saya melanggar ketentuan tersebut di atas maka akan menerima sanksi kepastian Otoritas Jasa Keuangan berikut konsekuensinya sesuai peraturan yang berlaku.	
Demikian surat pernyataan ini kami buat dengan penuh kesadaran dan tanpa paksaan dari pihak manapun.	
 (Candia Fajri Ananda)	

SURAT PERNYATAAN	
Saya yang bertandatangan di bawah ini:	
Nama	: Muhammad Mulya
Tempat dan Tanggal Lahir	: Sukarejo, 08 Maret 1968
No. KTP/Paspor	: 357951291054002
Alamat	: Jl. Ronggo Tumbuh Tumbuh 14 Mojokerto
berdasarkan adalah catatan anggota Komite Independen PT Bank Pembangunan Daerah Jawa Timur Tbk untuk dan atas nama diri sendiri, pernyataan bahwa saya:	
1. berkecenderungan untuk mematuhi ketentuan dan peraturan perundang-undangan khususnya di bidang perbankan dan mendukung kebijakan OJK;	
2. saya tidak pernah dihukum karena terbukti melakukan tindak pidana berupa:	
a. tindak pidana di sektor jasa keuangan yang penerapannya telah selesai dipaparkan dalam waktu 20 (dua puluh) tahun terakhir sebelum dinyatakan;	
b. tindak pidana kejahatan yang dilakukan oleh pelaku yang terdapat dalam daftar Undang-undang Hukum Pidana (KUHP) dan/atau yang sejenis KORUP di luar negeri dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih yang penerapannya telah selesai dipaparkan dalam waktu 10 (sepuluh) tahun terakhir sebelum dinyatakan; dan	
c. tindak pidana lainnya dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih, antara lain korupsi, pencucian uang, narkoba/parkutroptika, penyelundupan, kepatutan, cukai, perdagangan orang, perdagangan senjata gelap, terorisme, pemalsuan uang, dibidang perpajakan, di bidang kesehatan, di bidang lingkungan hidup, di bidang ketenagakerjaan, dan perbankan, yang penerapannya telah selesai dipaparkan dalam waktu 20 (dua puluh) tahun terakhir sebelum dinyatakan;	
3. saya tidak sedang dilarang untuk menjadi Pihak Utama yang antara lain tidak tercatat dalam Daftar Tindak Lahir;	
4. saya tidak memiliki kredit dari atau pembiayaan macet;	
5. saya tidak pernah dinyatakan paksa dan/atau tidak pernah menjadi pemegang saham, pengendali, anggota Direksi, atau anggota Dewan Komisaris yang dinyatakan bersalah menyebabkan suatu perusahaan dinyatakan paksa dalam waktu 5 (lima) tahun terakhir sebelum tanggal pengajuan permohonan;	
6. tidak merupakan pengendali, anggota Direksi atau anggota Dewan Komisaris dari badan hukum yang mempunyai kredit dari/atau pembiayaan macet;	
7. tidak menyalahgunakan jabatan sebagai anggota Dewan Komisaris, anggota Direksi atau pejabat lainnya yang dipercayakan dalam ketentuan yang berlaku;	
8. tidak saling memiliki hubungan keluarga sampai dengan derajat kedua termasuk besan dengan sesama anggota Dewan Komisaris atau anggota Direksi (berdasarkan hasil pemeriksaan Otoritas Jasa Keuangan);	
9. berkecenderungan mengembangkan operasional Bank yang sehat dan mendukung kebijakan OJK;	
10. tidak akan melakukan tindakan yang melanggar peraturan dan/atau tindakan yang menyebabkan yang bersangkutan termasuk sebagai pihak yang dilarang untuk menjadi Pihak Utama;	
11. saya tidak sedang menjalani proses hukum tidak sedang dalam proses penelaahan kemampuan dan kapabilitas, dan/atau tidak sedang menjalani proses penilaian kembali karena terdapat indikasi permasalahan integritas dan/atau keyakinan / reputasi keuangan pada suatu LJK;	
12. bersedia menerima hukuman yang diberikan kepadanya dan/atau tidak akan mengajukan tuntutan atau gugatan dalam bentuk apapun terhadap hasil penilaian kemampuan dan kapabilitas yang ditetapkan oleh Otoritas Jasa Keuangan;	
13. merupakan pihak yang independen terhadap pemilik bank atau PGP;	
14. tidak memiliki hubungan keuangan, kepemilikan, kepentingan saham dan/atau hubungan keluarga dengan anggota dewan komisaris lainnya, anggota dewan direksi bank lain, pemegang saham pengendali atau hubungan lain yang dapat mempengaruhi kemandiriannya untuk bertindak independen.	
Apabila ternyata di kemudian hari pernyataan saya terbukti di atas terbukti tidak benar dan/atau saya melanggar ketentuan tersebut di atas maka akan menerima sanksi kepastian Otoritas Jasa Keuangan berikut konsekuensinya sesuai peraturan yang berlaku.	
Demikian surat pernyataan ini kami buat dengan penuh kesadaran dan tanpa paksaan dari pihak manapun.	
 (Muhammad Mulya)	

SURAT PERNYATAAN	
PT BANK PEMBANGUNAN DAERAH JAWA TIMUR Tbk	
Saya yang bertandatangan di bawah ini:	
Nama	: Dr. Budi Permana
Tempat dan Tanggal Lahir	: Surabaya, 15-11-1964
Alamat (Rumah)	: Jl. Pahlawan No. 110, Surabaya
Alamat (Kantor)	: Jl. Pahlawan No. 110, Surabaya
Jabatan	: Wakil Ketua I Komite Independen dan Badan Pengawas PT Bank Jatim
berdasarkan adalah catatan anggota Komite Independen PT Bank Pembangunan Daerah Jawa Timur Tbk untuk dan atas nama diri sendiri, pernyataan bahwa saya:	
1. berkecenderungan untuk mematuhi ketentuan dan peraturan perundang-undangan khususnya di bidang perbankan dan mendukung kebijakan OJK;	
2. saya tidak pernah dihukum karena terbukti melakukan tindak pidana berupa:	
a. tindak pidana di sektor jasa keuangan yang penerapannya telah selesai dipaparkan dalam waktu 20 (dua puluh) tahun terakhir sebelum dinyatakan;	
b. tindak pidana kejahatan yang dilakukan oleh pelaku yang terdapat dalam daftar Undang-undang Hukum Pidana (KUHP) dan/atau yang sejenis KORUP di luar negeri dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih yang penerapannya telah selesai dipaparkan dalam waktu 10 (sepuluh) tahun terakhir sebelum dinyatakan; dan	
c. tindak pidana lainnya dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih, antara lain korupsi, pencucian uang, narkoba/parkutroptika, penyelundupan, kepatutan, cukai, perdagangan orang, perdagangan senjata gelap, terorisme, pemalsuan uang, dibidang perpajakan, di bidang kesehatan, di bidang lingkungan hidup, di bidang ketenagakerjaan, dan perbankan, yang penerapannya telah selesai dipaparkan dalam waktu 20 (dua puluh) tahun terakhir sebelum dinyatakan;	
3. saya tidak sedang dilarang untuk menjadi Pihak Utama yang antara lain tidak tercatat dalam Daftar Tindak Lahir;	
4. saya tidak memiliki kredit dari atau pembiayaan macet;	
5. saya tidak pernah dinyatakan paksa dan/atau tidak pernah menjadi pemegang saham, pengendali, anggota Direksi, atau anggota Dewan Komisaris yang dinyatakan bersalah menyebabkan suatu perusahaan dinyatakan paksa dalam waktu 5 (lima) tahun terakhir sebelum tanggal pengajuan permohonan;	
6. tidak merupakan pengendali, anggota Direksi atau anggota Dewan Komisaris dari badan hukum yang mempunyai kredit dari/atau pembiayaan macet;	
7. tidak menyalahgunakan jabatan sebagai anggota Dewan Komisaris, anggota Direksi atau pejabat lainnya yang dipercayakan dalam ketentuan yang berlaku;	
8. tidak saling memiliki hubungan keluarga sampai dengan derajat kedua termasuk besan dengan sesama anggota Dewan Komisaris atau anggota Direksi (berdasarkan hasil pemeriksaan Otoritas Jasa Keuangan);	
9. berkecenderungan mengembangkan operasional Bank yang sehat dan mendukung kebijakan OJK;	
10. tidak akan melakukan tindakan yang melanggar peraturan dan/atau tindakan yang menyebabkan yang bersangkutan termasuk sebagai pihak yang dilarang untuk menjadi Pihak Utama;	
11. saya tidak sedang menjalani proses hukum tidak sedang dalam proses penelaahan kemampuan dan kapabilitas, dan/atau tidak sedang menjalani proses penilaian kembali karena terdapat indikasi permasalahan integritas dan/atau keyakinan / reputasi keuangan pada suatu LJK;	
12. bersedia menerima hukuman yang diberikan kepadanya dan/atau tidak akan mengajukan tuntutan atau gugatan dalam bentuk apapun terhadap hasil penilaian kemampuan dan kapabilitas yang ditetapkan oleh Otoritas Jasa Keuangan;	
13. merupakan pihak yang independen terhadap pemilik bank atau PGP;	
14. tidak memiliki hubungan keuangan, kepemilikan, kepentingan saham dan/atau hubungan keluarga dengan anggota dewan komisaris lainnya, anggota dewan direksi bank lain, pemegang saham pengendali atau hubungan lain yang dapat mempengaruhi kemandiriannya untuk bertindak independen.	
Apabila ternyata di kemudian hari pernyataan saya terbukti di atas terbukti tidak benar dan/atau saya melanggar ketentuan tersebut di atas maka akan menerima sanksi kepastian Otoritas Jasa Keuangan berikut konsekuensinya sesuai peraturan yang berlaku.	
Demikian surat pernyataan ini kami buat dengan penuh kesadaran dan tanpa paksaan dari pihak manapun.	
 (Dr. Budi Permana)	

Meeting of Board of Commissioners

The types and quorum of the Board of Commissioners meeting which are stipulated in the Board of Commissioners Charter are as follows:

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. At the meeting that has been scheduled, meeting materials are submitted to participants no later than 5 (five) days before the meeting is held.
6. 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.
7. 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.
8. 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.
9. 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.
10. Decisions of the Board of Commissioners meeting must be made based on deliberation to reach consensus.
11. 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

BOARD OF COMMISSIONERS 'INTERNAL MEETINGS

Quarter I	<ul style="list-style-type: none"> Monthly Review of Bank Performance. Review and approval of the 2020 Financial Year (Audited) Consolidated Financial Statements. Quarterly Review of Bank Performance for 2020. Preparation for the Annual General Meeting of Shareholders for the 2020 Financial Year. Quarterly Review of Risk Profiles, Business Activities, IT, HR, and Other Strategic Initiatives for the period of Quarter IV/2020. Conduct the Nomination Process for candidates for Directors/ Commissioners.
Quarter II	<ul style="list-style-type: none"> Monthly Review of Bank Performance. Quarterly Review of Risk Profiles, Business Activities, IT, Human Resources, and Other Strategic Initiatives for Quarter I/2021. Supervision and evaluation of the Soundness of the Bank, Risk Management and Integrated Risk Management, Implementation of governance, as well as review of the compliance function report and the implementation of the Compliance Director's duties.
Quarter III	<ul style="list-style-type: none"> Monthly Review of Bank Performance. Quarterly Review of Risk Profiles, Business Activities, IT, HR, and Other Strategic Initiatives for Quarter II / 2021. Review of the Implementation of Integrated Governance. Discussion on the Company's 2022 Work Plan and Budget. Selection of a Public Accounting Firm (KAP) to Audit the Financial Statements of 2021.
Quarter IV	<ul style="list-style-type: none"> Monthly Review of Bank Performance. Quarterly Review of Risk Profiles, Business Activities, IT, HR, and Other Strategic Initiatives for Quarter III / 2021. Approval of the Bank's 2022 Business Plan, Sustainable Finance Action Plan. Supervision and evaluation of the Bank Soundness Level, Risk Management and Integrated Risk Management, Implementation of governance, as well as review of reports on the compliance function and the implementation of the Compliance Director's duties. Approval of the Bank's Business Plan

REALIZATION OF THE INTERNAL MEETING OF THE BOARD OF COMMISSIONERS

During 2020, the agenda, date and participants of the Board of Commissioners' Meeting are as follows.

Table of Board of Commissioners Meeting

No	Date	Meeting Agenda	Meeting participants	Present / Not Present	Reason for Absence
1	Tuesday, February 04, 2020	1. Discussion on the Remuneration and Nomination Committee's Recommendations Regarding Independent Institutions that Will Carry Out Assessment of Candidates for the Board of Directors of Bank Jatim. 2. Simulation schedule for the 2019 Annual GMS.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Not Present	Leave
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			75% attendance		
2	Thursday, February 27, 2020	Discussion on the Assessment Results of Candidates for President Director and Director of Sharia Retail a Consumer Business.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			83% attendance		
3	Tuesday, March 03, 2020	1. Discussion on the Assessment Results of Candidates for President Director and Director of Sharia Retail & Consumer Business. 2. Discussion of the Report Letter to the Governor of East Java.	Akhmad Sukardi	Present	
			Heru Tjahjono	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			100% attendance		
4	Wednesday, March 11, 2020	Discussion on the Results of the Remuneration and Nomination Committee's Recommendations for Candidates for President Director and Director of Consumer, Retail & Sharia Business	Akhmad Sukardi	Present	
			Heru Tjahjono	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			100% attendance		
5	Monday, April 13, 2020	1. Appointment of the Chairperson of the Bank Jatim Annual GMS for the 2020 Financial Year. 2. Follow-up to the Remuneration and Nomination Committee's Recommendations Regarding Responses Regarding the Age of Candidate for the Board of Directors of Bank Jatim.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			83% attendance		
6	Wednesday, April 22, 2020	1. Discussion Regarding the Determination of the Performance Evaluation of the Board of Commissioners. 2. Discussion of GMS Scenarios.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			83% attendance		

No	Date	Meeting Agenda	Meeting participants	Present / Not Present	Reason for Absence
7	Monday, April 27, 2020	1. Discussion Regarding the Remuneration Policy for Bank Jatim Management. 2. Discussion on the Determination of the Board of Commissioners Performance Evaluation Working Paper.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Not Present	Leave
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			75% attendance		
8	Thursday, June 04, 2020	1. Discussion regarding the Plan for the Implementation of the Extraordinary General Meeting of Shareholders (EGMS). 2. Etc.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			83% attendance		
9	Friday, June 05, 2020	Discussion Regarding the Decree of the Board of Commissioners regarding the Division of Duties of the Board of Directors.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Not Present	Leave
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			75% attendance		
10	Wednesday, July 01, 2020	Discussion on the OJK Audit Follow-up Related to the Governance of the Board of Commissioners and Committees.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Not Present	Leave
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			75% attendance		
11	Wednesday, July 15, 2020	1. Review of the Follow-up Meeting of the Board of Commissioners on July 1, 2020. 2. Discussion of OJK's Directives Regarding Governance and KPI of the Board of Commissioners. 3. Appointment of Chairman of the Extraordinary GMS, 23 July 2020.	Akhmad Sukardi	Present	
			Heru Tjahjono	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			100% attendance		
12	Monday, July 27, 2020	Discussion on the Division of Duties of the Board of Directors of Bank Jatim.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			83% attendance		

No	Date	Meeting Agenda	Meeting participants	Present / Not Present	Reason for Absence
13	Friday, September 04, 2020	1. The Concept of Adjustment of KPI for the Board of Commissioners. 2. Review of the follow-up of OJK’s Audit Results related to the Governance of the Board of Commissioners and Committees.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas’ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			83% attendance		
14	Wednesday, October 14, 2020	Evaluation of Bank Jatim Employee Recruitment Policy.	Akhmad Sukardi	Present	
			Heru Tjahjono	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			100% attendance		
15	Friday, November 27, 2020	1. Work Plan and Budget for the Board of Commissioners of Bank Jatim 2021. 2. Appointment of KAP to Audit Bank Jatim Financial Statements for the 2020 Financial Year.	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	
			83% attendance		
16	Wednesday, December 23, 2020	1. Discussion on Additional Income Additional Giving. 2. End of Year 2020 Performance Income	Akhmad Sukardi	Present	
			Heru Tjahjono	Not Present	Business Trip
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Budi Setiawan	Present	
			Rudi Purwono	Present	

Joint Board of Commissioners Meeting with the Board of Directors

The Joint Meeting of the Board of Commissioners and the Board of Directors consists of the Joint Meeting of the Board of Commissioners inviting the Board of Directors and the Joint Meeting of the Board of Directors inviting the Board of Commissioners.

THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF JOINT MEETINGS

No	Estimated Month	Meeting Implementation Estimates	Meeting agenda
1	Quarter 1	Week 3	Performance Evaluation of Bank Jatim
2	Quarter 2	Week 3	Performance Evaluation of Bank Jatim
3	Quarter 3	Week 3	Performance Evaluation of Bank Jatim
4	Quarter 4	Week 3	Performance Evaluation of Bank Jatim

REALIZATION OF THE JOINT MEETING OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

During 2020, the agenda, date and participants of the Joint Meeting of the Board of Commissioners and the Board of Directors are as follows.

Table of Joint Meeting of Board of Commissioners and Directors

No	Date	Meeting Agenda	Meeting participant – Board of Commissioners	Present / Not Present	Reason for Absence	Meeting participant – Directors	Present / Not Present	Reason for Absence
1	Tuesday, February 25, 2020	1. Discussion on the Recommendations of the Remuneration and Nomination Committee Regarding Independent Institutions that Will Carry Out Assessment of Candidates for the Board of Directors of Bank Jatim 2. Simulation Schedule for the Implementation of the 2019 Annual GMS	Akhmad Sukardi	Not Present	Leave	Busrul Iman	Not Present	Business Trip
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Not Present	Business Trip
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Present	
			Rudi Purwono	Present				
2	Friday, March 27, 2020	1. Changes to the Issuance of Bank Jatim Securities 2. Bank Jatim Performance and Risk Mitigation of the Impact of the Covid-19 Outbreak 3. Coordination of preparations for the 2019 Annual GMS	Akhmad Sukardi	Present		Busrul Iman	Present	
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Not Present	Business Trip
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Present	
			Rudi Purwono	Present				
3	Thursday, June 18, 2020	Discussion on the Revised 2020 Bank Business Plan due to Covid-19	Akhmad Sukardi	Present		Busrul Iman	Present	
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Present	
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Present	
			Rudi Purwono	Not Present	Leave			
4	Friday, July 03, 2020	Discussion of Potential Legal Risk Issues and Reputation Risk of Bank Jatim	Akhmad Sukardi	Present		Busrul Iman	Not Present	Not invited
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Not Present	Not invited
			Candra Fajri Ananda	Present		Rizyana Mirda	Not Present	Not invited
			Muhammad Mas'ud	Present		Tonny Prasetyo	Not Present	Not invited
			Budi Setiawan	Present		Erdianto Sigit C.	Present	
			Rudi Purwono	Present				
5	Wednesday, July 15, 2020	1. Discussion regarding OJK's Audit Results on Governance 2. Discussion on the 2020 Bank Jatim EGMS Plan	Akhmad Sukardi	Present		Busrul Iman	Present	
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Present	
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Not Present	Business Trip
			Rudi Purwono	Present				
6	Wednesday, July 21, 2020	Coordination of the Board of Commissioners, Directors and Commission C of the East Java Provincial DPRD regarding the EGMS Implementation Plan	Akhmad Sukardi	Present		Busrul Iman	Present	
			Heru Tjahjono	Present		Ferdian Timur S.	Present	
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Budi Setiawan	Not Present	Leave	Erdianto Sigit C.	Present	
			Rudi Purwono	Present				

No	Date	Meeting Agenda	Meeting participant – Board of Commissioners	Present / Not Present	Reason for Absence	Meeting participant – Directors	Present / Not Present	Reason for Absence
7	Friday, August 14, 2020	1. Discussion of Bank Jatim Performance and Development of BPR Apex East Java 2. Discussion Regarding Retirement Insurance for Former Bank Managers (Mr. Hadi Santoso) 3. Discussion Regarding Fraud and Bank Jatim Employee Disintegration	Akhmad Sukardi	Present		Busrul Iman	Present	
			Heru Tjahjono	Present		Ferdian Timur S.	Present	
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Not Present	Leave	Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Present	
8	Friday, September 04, 2020	1. Development of Bank Guarantee Problems 2. Development of Insurance Brokerage Problems 3. Retirement Insurance for Former Bank Managers (Mr. Hadi Santoso)	Rudi Purwono	Present				
			Akhmad Sukardi	Present		Busrul Iman	Present	
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Present	
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
9	Thursday, September 18, 2020	Discussion on Bank Guarantee Claim Development	Budi Setiawan	Present		Erdianto Sigit C.	Present	
			Rudi Purwono	Present				
			Akhmad Sukardi	Present		Busrul Iman	Present	
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Present	
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
10	Tuesday, September 22, 2020	1. Discussion on the progress of Bank Guarantee Claims 2. Report on Findings of OJK KR 4 Surabaya	Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Present	
			Rudi Purwono	Present				
			Akhmad Sukardi	Not Present	Leave	Busrul Iman	Present	
			Heru Tjahjono	Present		Ferdian Timur S.	Present	
11	Thursday, October 15, 2020	Discussion Related to Bank Jatim Employee Recruitment in 2020	Candra Fajri Ananda	Present		Rizyana Mirda	Not Present	Business Trip
			Muhammad Mas'ud	Not Present	Leave	Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Not Present	Business Trip
			Rudi Purwono	Present				
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Present	
12	Friday, December 18, 2020	1. Development of Bank Jatim Financial Performance 2. Discussion on the Implementation of Bank Jatim's new Organizational Structure and Proposals from the Board of Directors regarding the Organizational Structure Learning Center Chart 3. Discussion on Legal Opinion Legal Consultant Syaiful Ma'arif & Partners Regarding Retirement Insurance for Former Bank Managers (Bpk. Hadi Santoso) 4. Etc.	Akhmad Sukardi	Present		Busrul Iman	Not Present	Business Trip
			Heru Tjahjono	Not Present	Business Trip	Ferdian Timur S.	Not Present	Business Trip
			Candra Fajri Ananda	Present		Rizyana Mirda	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Budi Setiawan	Present		Erdianto Sigit C.	Present	
			Rudi Purwono	Present				

Frequency and Attendance of Meeting of the Board of Commissioners

During 2020, the Board of Commissioners held and participated in 16 (sixteen) internal meetings and 12 (twelve) joint meetings of the Board of Commissioners and the Board of Directors. The frequency and attendance of meetings for each member of the Board of Commissioners can be seen in the table below.

Table of Frequency and Attendance of Board of Commissioners' Meetings

Name	Position	Board of Commissioners Meeting			Joint Meeting of the Board of Commissioners with the Board of Directors		
		Number and Percentage of Attendance			Number and Percentage of Attendance		
		Number of meetings	Number of attendances	Percentage	Number of meetings	Number of attendances	Percentage
Akhmad Sukardi	President Commissioner	16	16	100%	12	10	83%
Rudi Purwono	Independent Commissioner	16	16	100%	12	11	92%
Candra Fajri Ananda	Independent Commissioner	16	15	94%	12	12	100%
Muhammad Mas'ud	Independent Commissioner	16	13	81%	12	3	25%
Budi Setiawan	Commissioner	16	16	100%	12	11	92%
Heru Tjahjono	Commissioner	16	4	25%	12	3	25%

Procedures and Frequency of Giving Advice

Providing advice from the Board of Commissioners to the Board of Directors is carried out formally or informally in a variety of means either through written letters or in 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 2020 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 together with the Committees under the Board of Commissioners.

During 2020, the Board of Commissioners issued 14 (fourteen) letters of approval, among others, regarding the approval of the Proposed Organizational Structure, credit to related parties, and other approvals under the authority of the Board of Commissioners as stipulated in the Articles of Association and applicable regulations. The several agreements, among others, can be conveyed as follows.

No.	Letter Date	Subject
1	January 20, 2020	Approval of Bank Jatim Corporate Plan 2020 - 2024
2	February 18, 2020	Approval of Adjustment of Bank Jatim Business Plan 2020
3	February 26, 2020	Approval of Financing
4	March 5, 2020	Approval Report for Additional KMK Ceiling Additions to the Large Exposure Category
5	April 2, 2020	BPP Stimulation Approval for Covid-19 impact debtors
6	May 20, 2020	Approval of the 2020 Bank Jatim Business Plan Revision
7	June 24, 2020	Approval of the 2020 Audit Plan Amendments
8	June 26, 2020	Approval of the Revised Bank Jatim Business Plan in 2020
9	July 13, 2020	Approval of Financing
10	August 12, 2020	Approval of the Board of Commissioners regarding Changes in the Guidelines for Implementation of Stimulus for Debtors affected by Covid - 19

No.	Letter Date	Subject
11	November 30, 2020	Approval of the 2021 Bank Jatim Business Plan
12	December 1, 2020	Approval of Credit Applications to Related Parties PT BPR Jatim
13	December 4, 2020	Approval and Appointment of KAP to Audit PT Bank Jatim's Financial Statements for the 2020 Period

Implementation of Duties of the Board of Commissioners

Based on FSA Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks, the duties and responsibilities of the Board of Commissioners include:

1. Ensure that the implementation of Good Governance is carried out in every business activity of the Bank at all levels or levels of the organization.
2. Supervise the implementation of duties and responsibilities of the Board of Directors and provide advice to the Board of Directors.
3. The Board of Commissioners is required to direct, monitor and evaluate the implementation of the Bank's strategic policies.

During 2020, the Board of Commissioners carried out its duties, obligations and responsibilities in order to supervise the management policies and the management of the Company which were determined based on the prevailing laws and regulations and the Company's Articles of Association.

These duties, obligations and responsibilities were carried out through meetings of the Board of Commissioners, meetings of the Board of Commissioners with the Board of Directors, or meetings and evaluations with committees under the Board of Commissioners.

The implementation of the duties of the Board of Commissioners during 2020 includes the following:

1. Evaluating and approving the Corporate Plan & Business Plan and conduct supervision of the process of achieving the Business Plan.
2. Evaluating the Consolidated Financial Performance of Bank Jatim on a regular basis.
3. Reviewing and evaluating Audit Implementation 3 by the Public Accounting Firm (KAP).
4. Supervising Internal Audit Work Unit (SKAI), namely discussing and reviewing the adequacy of the audit planning and implementation by the Internal Audit Division as well as fulfilling the adequate number and competence of the Auditors.
5. Encouraging and monitoring the completion of the follow-up of internal and external audit results in order to assess the adequacy of internal control including the reliability of financial reporting.

6. Reviewing and monitoring the implementation of the Bank's Health Level assessment using a Risk- Based Bank Rating with the scope of the assessment of the risk profile, GCG, profitability and capital.
7. Performing a supervisory function on Risk Management.
8. Supervising the compliance function and reviewing the Compliance function implementation report and the Compliance Director's duties.
9. Reviewing the Implementation of Good Corporate Governance (GCG).
10. Monitoring and evaluating Board of Directors' Policies.
11. Monitoring and evaluating the development and management of Human Resources (HR).
12. Conducting a Self-Assessment, namely assessing the effectiveness of GCG implementation of the Board of Commissioners including Committees under the Board of Commissioners.
13. Reviewing the remuneration of the Board of Directors and Board of Commissioners as well as monitoring the employee remuneration system.
14. Conducting active monitoring of efforts to improve and handle problem loans.
15. Evaluating and monitoring policies in implementing the provision of funds to related parties or those classified as Large Exposure.
16. Following the development of the Company's activities, provide opinions and suggestions to the Board of Directors on issues that are considered important and material for the management of the Company.
17. Conducting other work programs that are part of the duties and responsibilities of the Board of Commissioners.

Supervision of the Company's Strategy Implementation

Based on FSA Regulation No. 5/POJK.03/2016 concerning Bank Business Plans, the Board of Commissioners is required to supervise the implementation of the Bank's Business Plan which includes, among others, management policies and strategies. The results of the supervision are contained in the Supervision Report on the Implementation of the Bank Business Plan which is submitted to FSA every semester.

In 2020, the Board of Commissioners prepared and submitted a Supervisory Report on the Implementation of the Bank's Business Plan to FSA as follows:

No	Letter Date	Subject
1	February 21, 2020	The Board of Commissioners' Supervisory Report on the Implementation of the 2020 Semester II Bank Business Plan.
2	August 28, 2020	The Board of Commissioners' Supervisory Report on the Implementation of the Bank's Business Plan for Semester I of 2020.

Performance Assessment of the Board of Commissioners

Procedures For the Implementation of the Performance of the Board of Commissioners

The policies and procedures for carrying out the performance assessment of the Board of Commissioners are determined and agreed upon by the Board of Commissioners in the Board of Commissioners' Meeting. In 2020 the Board of Commissioners of Bank Jatim issued Decree Number 059/009/DK/KEP concerning Amendments to the Decree of the Board of Commissioners Number 059/005/DK/KEP dated April 29, 2020 concerning Work Paper for Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk.

Assessment of the performance of the Board of Commissioners of Bank Jatim was carried out by means of self-assessment which is determined by taking into account their duties and obligations in accordance with the Articles of Association of the Company and the prevailing laws and regulations.

Evaluation Criteria of the Board of Commissioner Performance

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 reviews and responses to the Bank's Business Plan (RBB).
 - b. Reviewing of the follow-up of Audit Results/Findings (Internal / External).
 - c. Implementation of Governance Self Assessment Results.

- d. Reviewing of Risk Profile Reports, Review of Compliance Function Reports, Review Results of Bank Soundness Level Reports.
 - e. Reviewing the policies of the Board of Directors (credit policies, capitalization, risk management strategies, remuneration, and others).
2. Active Supervision of the Board of Commissioners, including:
 - a. Number of meetings.
 - b. Reviewing the Bank's business and financial performance reports (regular monitoring of bank performance).
 - c. Participating in the performance evaluation activities of branches and work units.
 - d. Visiting to branches in order to carry out supervisory functions.
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 2020 period in the Annual GMS to be held in 2021.

Results of the Board of Commissioner Performance Assessment

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final Score
1	Passive Supervision of Board of Commissioners	a. Implementation of reviews and responses to the Bank's Business Plan (RBB)	Conducted every semester (2x a year)	Reviews and responses to the Bank's Business Plan have been carried out by the Board of Commissioners in accordance with the provisions	1	10	10
		b. Implementation of Review Reports on Audit Inspection Results and follow-up on audit results (Internal/External).	Implemented according to the provisions and on time according to the target (at least 2x a year)	Review of Audit Reports Internal and external audits are carried out in accordance with the provisions and on time as targeted	1	7.5	7.5
		c. Implementation of the Result of the GCG Self-Assessment	Implemented according to the provisions and on time according to the target. (2x a year)	GCG Self-Assessment is carried out every Semester in accordance with the provisions and on time on target	1	5	5
		d. Implementation of Risk Profile Report Review, Compliance Function Report Review Results, Review Report on Bank soundness level	Implemented according to the provisions and on time according to the target. (2x a year)	The Review of the Risk Profile and Compliance Function Report and the Bank's soundness level are conducted every Semester according to the target	1	5	5

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final Score
		e. Implementing a review of the Board of Directors' policies (credit policy, capitalization, risk management strategy, remuneration, and so on)	Implemented according to the provisions and on time according to the target. (at least 1x a year)	The implementation of review on the policies of the Board of Directors is carried out according to the target	1	7.5	7.5
Sub Total						35.00	35.0
2	Active Supervision of Board of Commissioners	a. Number of Meetings	Internal Meetings of Board of Commissioners at least 12 times a year (6 meetings in every semester)	Board of Commissioners Meetings during 2020 were held 16 times	1	12.5	12.5
			The Board of Commissioners' meeting with the Board of Directors is held at least 6 times a year (3 meetings in every semester)	Meetings of the Board of Commissioners and Directors in Semester I 2020 were held 4 times.	1	10	10
		b. Performing a review of the Bank's business and financial performance reports (regular monitoring of bank performance)	Conducted at every meeting of the Board of Commissioners and Directors according to the target, which is once every 2 months (1 year 6x / 3x in 1 semester)	The implementation of reviewing the Bank's business and financial performance reports in 2020 was carried out at the Board of Commissioners and Board of Directors Meetings 4 times	0.6	10	6
		b. Following the performance evaluation of branch and work unit performance	Participate in the performance evaluation of branches/work units (quarterly)	The performance evaluation of branch/work unit performance is carried out according to the target	1	7.5	7.5
		c. Visit to the branch in order to carry out the supervisory function	At least 3 times a year	The implementation of visits to branches in order to carry out the supervisory function in 2020 was carried out according to the target	1	5	5
Sub Total						45	41.00
3	Company Performance	a. Rentability	TARGET	REALIZATION			
		- Net profit	1,000,000	1,571,029	1	2.5	2.5
		- Return on Asset (ROA)	3.49%	2.13%	0.6	2.5	1.5
		b. Liquidity	TARGET	REALIZATION			
		- Third Party Fund (DPK)	63,916,368	68,468,280	1	2.5	2.5
		- LDR	65.07%	60.58%	0.9	2.5	2.25
		c. Credit	TARGET	REALIZATION			
		- Credit Expansion	41,146,521	41,480,766	1	2.5	2.5
		- NPL	2.88%	4.00%	0.72	2.5	1.8
Sub Total						15	13.05
4	Learning and Growth	Introduction / competency development program (Workshop, seminar, conference, etc.)	At least 3 times a year	The implementation of the Workshop / seminar / Board of Commissioners in 2020 will be carried out according to the target	1	5	5
Sub Total						5.00	5.00
TOTAL						100.00	94.05

Performance Assessment of the Committee Under the Board of Commissioners and the Basis of the Assessment

In order to enhance the role of the Board of Commissioners in carrying out its 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 Board of Commissioners periodically (annually) evaluates the effectiveness of the performance of the Committees under the Board of Commissioners. The Board of Commissioners considers that during 2020 the Committees have carried out their duties and responsibilities quite effectively and worked independently and provided useful input/recommendations for the Board of Commissioners.

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:

1. Members of the Board of Commissioners are appointed and terminated by the GMS.
2.
 - a. 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.
 - b. 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.
 - c. 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.
3. The position of a member of the Board of Commissioners ends if:
 - a. Lossing Indonesian Citizenship.
 - b. Resignation with due observance of the provisions of paragraph (11) of Article 11 of the Articles of Association.
 - c. No longer meets statutory requirements.
 - d. Passed away.
 - e. The term of office has ended.
 - f. Was dismissed based on the resolution of the GMS.
 - g. 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.

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:

1. Assess and ensure compliance with sharia principles in operational guidelines and products issued by UUS.
2. Monitor the process of developing UUS new products from the start until the product is released.
3. Provide sharia opinions on new products and/or restructured financing.
4. Request a fatwa from the National Sharia Council for UUS new products for which there is no fatwa.
5. Conduct periodic reviews on compliance with sharia principles on the mechanism for raising funds and channeling funds as well as Bank services.
6. Request data and information related to sharia aspects from UUS work units in the context of carrying out their duties.

7. 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.

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:

1. Integrity, which at least includes:
 - a. Have good character and morals.
 - b. Have a commitment to comply with sharia banking regulations and other laws and regulations.
 - c. 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 Work Procedures of the Sharia Supervisory Board

The Sharia Supervisory Board Work Guidelines and Procedures are currently in the process of being ratified. However, in carrying out its duties the Sharia Supervisory Board refers to the Articles of Association of the Company 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) people and a maximum of 3 (three) people, one of whom is the Chairman. Members of the Sharia Supervisory Board were appointed by the GMS or by the recommendation of the National Sharia Supervisory Board - Indonesian Ulama Council in accordance with the applicable laws and regulations, without prejudice to the right of the GMS to dismiss members of the Sharia Supervisory Board at any time in accordance with statutory regulations.

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

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 presentations, meetings or visits to the Company's facilities, introductions to Division Leaders, Groups and employees of the Company and other programs.

The Orientation Program was held on January 15-16, 2020 in the Tabligh meeting room 5th floor JL Basuki Rakhmat No.57 with the theme of Optimizing SSB Duties and Functions with an external speaker, Dakara Excellentia.

Concurrent Position of Sharia Supervisory Board

Table of Concurrent Positions of Sharia Supervisory Board

Name	Position	Position in Other Companies/ Agencies	Name of Other Company/Agency
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	Chairman	Yayasan Pondok Pesantren Salafiyah Syafi'iyah Sukorejo
Dr. H. M. Saad Ibrahim, MA	Member	Chairman	Muhammadiyah Regional Leaders of East Java

Ownership of Sharia Supervisory Board

Table of Sharia Supervisory Board' Share Ownership

Name	Position	Share Ownership
		Bank Jatim
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	Nil
Dr. H. M. Saad Ibrahim, MA	Member	Nil

Meeting of Sharia Supervisory Board

Internal Meeting of Sharia Supervisory Board

Throughout 2020, the agenda, dates and participants of the Sharia Supervisory Board Meeting were as follows.

Table of Sharia Supervisory Board Meeting

No.	Date	Agenda	Participant	Attendance
1.	June 26, 2020	SSB opinion regarding the iB Barokah Cash Collateral Financing product	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
2.	June 26, 2020	SSB opinion regarding Financing products for Multifinance Companies	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
3.	June 19, 2020	Minutes of DPS coordination meeting with Sharia Business Division related to Cash Collateral Financing & Financing products for Sharia Multifinance Companies	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
4.	July 22, 2020	Opinion of Apex BPRS	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
5.	July 15, 2020	SSB meeting minutes Regarding Follow-up to OJK Meeting Minutes	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
6.	July 9, 2020	SSB Opinion Regarding Restructuring of the Citra Bekisar Cooperative	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
7.	September 11, 2020	SSB Opinion Regarding Providing Exam for Cooperation between Bank Jatim and PT Travel Agency Shafira Lintas Semesta;	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present

No.	Date	Agenda	Participant	Attendance
8.	September 11, 2020	SSB Opinion Regarding Giving Prizes in the Barokah Sejahtera Savings Program	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
9.	October 22, 2020	SSB Opinion Regarding Smart Practice Activities	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
10.	October 22, 2020	SSB Opinion Regarding Giving Prizes in the Barokah Sejahtera Savings Program	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
11.	October 22, 2020	SSB Opinion Regarding Cash Management System	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
12.	October 22, 2020	SSB Opinion Regarding the Sipandai iB Barokah Savings	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
13.	December 04, 2020	Minutes of Discussion of Pre-Realization Fee Payment for Multipurpose Pension and Pre-Retirement Financing	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present

Joint Meeting of Sharia Supervisory Board

Throughout 2020, the agenda, dates and participants of the Joint Meeting of the Sharia Supervisory Board and the Board of Commissioners are as follows.

Table of Sharia Supervisory Board Joint Meeting

No.	Meeting Date	Agenda	Meeting participant – Board of Commissioners	Attendance	Meeting participant – SSB	Attendance
1.	December 23, 2020	Assessment of the Adequacy of Internal Control and Implementation of the Compliance Function	Akhmad Sukardi	Present	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Rudi Purwono	Present		
			Candra Fajri Ananda	Present		
			Muhammad Mas'ud	Present	Dr. H. M. Saad Ibrahim, MA	Present
			Budi Setiawan	Present		
				Present		

Frequency and Attendance of Meeting

During 2020, the Sharia Supervisory Board held 13 (thirteen) internal meetings and joint meetings with the Board of Commissioners 1 (one) time. The frequency and attendance of each member of the Sharia Supervisory Board can be seen in the table below.

Table of Frequency and Attendance of Sharia Supervisory Board' Meetings

Name	Position	Sharia Supervisory Board Internal Meeting			Sharia Supervisory Board Joint Meeting		
		Number and Percentage of Attendance			Number and Percentage of Attendance		
		Number of meetings	Number of attendances	Percentage	Number of meetings	Number of attendances	Percentage
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	13	13	100%	1	1	100%
Dr. H. M. Saad Ibrahim, MA	Member	13	13	100%	1	1	100%

Frequency and Method of Advice and Advice and Supervision of Sharia Principles In Capital Market to Issuers or Public Companies

The giving of advice and suggestions was carried out on several occasions. One of them was when the DPS meeting was also attended by management. Throughout 2020, DPS issued 7 (seven) Sharia Supervisory Board Opinions. DPS has carried out its duties by supervising the fulfillment of Bank Jatim Sharia Principles and issuing opinions, including:

1. SSB Opinion Regarding Giving Prizes in the Barokah Sejahtera Savings Program.
2. SSB Opinion Regarding Smart Practice Activities.
3. SSB Opinion Regarding Providing Examinations for Collaboration between Bank Jatim and PT Travel Agency Shafira Lintas Semesta.
4. SSB Opinion Regarding Request for Feedback from the Sharia Business Unit Division on the Results of the OJK Subsequent Event July 31, 2019 regarding the Restructuring of the Citra Bekisar Cooperative.

5. SSB Opinion Regarding Umrah Financing with a Guaranteed Hajj Portion Registration Certificate (SPPH).
6. SSB Opinion Regarding the Improvement of the BPP for Micro & Small Financing BPRS Linkage Program.
7. SSB Financing Opinion to Dhu'afa Partners Savings and Loans Cooperative.

Performance Assessment of Sharia Supervisory Board

Procedures For the Implementation of the Performance of the Sharia Supervisory Board

Performance appraisal was carried out by means of self-assessment and was submitted to the Board of Commissioners and the GMS.

Evaluation Criteria of the Sharia Supervisory Board Performance

SSB performance assessment was based on the implementation of SSB duties during 2020. The implementation of SSB duties is seen from the number of meetings held and the opinions and recommendations that had been issued.

Parties That Do the Assessment

SSB conducted an independent assessment of SSB performance during 2020 (self assessment).

Results of the Sharia Supervisory Board 'Performance Assessment

During 2020, the Sharia Supervisory Board carried out its role well. By holding 13 (thirteen) meetings and issuing opinions or recommendations related to Sharia Business Unit business activities.

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.
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 rules and procedures for carrying out the work of the Board of Directors are regulated in the decisions of the Board of Commissioners in accordance with the applicable laws and regulations.
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/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 commences after passing the Fit and Proper Test by the Financial Services Authority or at the closing of the AGMS and ends at the close of the 5th (fifth) annual GMS from the date of their appointment, or after the successor has passed the Fit and Proper Test by the Financial Services Authority, unless stipulated otherwise in the GMS, and may be reappointed for a second term if they have good performance, proven by the achievement of targets set by the GMS for each member of the board of directors without prejudice to the right of the GMS to dismiss them at any time based on the reasons that have been set.

Requirements For the Board of Directors

General Requirement

Those who can become members of the Board of Directors are individuals who meet the requirements at the time of appointment and during their tenure:

1. Have good character, morals and integrity.
2. Capable of taking legal actions.
3. 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.
 - His responsibilities as a member of the Board of Directors and/or 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.

4. Have a commitment to comply with laws and regulations.
5. Have knowledge and/or expertise in the fields required by the Issuer or Public Company.

The requirements for candidates to be appointed as Directors are mentioned above with due observance of the prevailing laws and regulations in the field of capital markets in Indonesia.

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.

Other Requirements

1. Passed the fit and proper test in accordance with Bank Indonesia regulations or applicable regulations concerning the fit and proper test.
2. The majority of members of the Board of Directors are prohibited from having family ties to the second degree with other members of the Board of Directors and/or members of the Board of Commissioners.

Process of Nomination and Election of the Board of Directors

The nomination and selection process for the Board of Directors is proposed to the GMS with due observance of the recommendation from the Board of Commissioners through the Remuneration and Nomination Committee first. In the process of selecting and/or replacing members of the Board of Directors, there are 2 (two) patterns in implementation, namely:

1. Pattern 1, in which the Candidate for Members of the Board of Directors after an internal evaluation will be determined at the General Meeting of Shareholders who will then take part in a Fit & Proper Test by the Financial Services Authority (OJK). Candidates for members of the Board of Directors are effective if they have passed the Fit & Proper Test by the Financial Services Authority (OJK);
2. Pattern 2, in which the Candidate for Members of the Board of Directors after an internal evaluation will take part in the Fit & Proper Test by the Financial Services Authority (OJK), if it has passed the Fit & Proper Test, it will then be determined at the General Meeting of Shareholders and will be effective as of the stipulation in the Meeting General Shareholders.

Board of Directors 'Guidelines and Work Procedures

The Board of Directors has a Code of Conduct 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 2020 was last amended by Decree of the Board of Directors Number 057/206/DIR/CSE/KEP dated 7 June 2018 concerning the Third 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. Term of office 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

Governance Outcome

1. Reports
2. Document Distribution

Composition and Basis For Appointment of the Board of Directors

All Directors of Bank Jatim passed fit and proper without records and received approval from the FSA, indicating that each member of the Board of Directors has adequate integrity, competence and financial reputation in accordance with FSA Regulation No. 27/POJK.03/2016 concerning Fit and Proper Test for Main Parties of Financial Services Institutions, which states that prospective members of the Board of Directors must obtain approval from the FSA before carrying out their actions, duties, and functions as Directors.

Composition and Basis For Appointment of the Board of Directors Before Annual GMS For Fisual Year 2019

The composition of the Board of Directors of Bank Jatim before the Annual General Meeting of Shareholders for the Financial Year 2019 was 7 (seven) people consisting of 1 (one) President Director who is still in the fit and proper test period by the FSA, 1 (one) Board of Directors who is still in the fit and proper test period. by FSA and 5 (five) Directors.

Name	Position	Executor	Rapture Basis	Effective Date
Hadi Santoso	President Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	*)
Busrul Iman	Commerce & Corporation Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019
Elfaurid Aguswantoro	Consumer, Retail, and Sharia Business Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	**)
Rizyana Mirda	Business Risk Director	Financial Services Authority	Extraordinary GMS on June 15, 2017	September 29, 2017
Tonny Prasetyo	IT & Operations Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019
Ferdian Timur Satyagraha	Finance Director	Financial Services Authority	Extraordinary GMS on June 15, 2017	December 22, 2017
Erdianto Sigit Cahyono	Compliance and Risk Management Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019

*) Based on a copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority Number KEP-188/D.03/2019 dated October 11, 2019 concerning the Results of the Fit and Proper Test for Mr. Hadi Santoso as the President Director of PT Bank Pembangunan Daerah Jawa Timur Tbk, the Authority's decision was obtained. Financial Services that Mr. Hadi Santoso was not approved to become the Company's President Director.

**) Based on a copy of the Decree of the Members of the Board of Commissioners of the Financial Services Authority Number KEP-192/D.03/2019 dated October 11, 2019 concerning the Results of the Fit and Proper Test for Mr. Elfaurid Aguswantoro as Director of Retail Consumer and Sharia Business of PT Bank Pembangunan Daerah Jawa Timur Tbk, it was obtained the decision of the Financial Services Authority that Mr. Elfaurid Aguswantoro was not approved as Director of Retail Consumer and Sharia Business of the Company.

Composition and Basis of Board of Directors Appointment After Annual GMS For Fiscal Year 2019

Through the Annual GMS for the 2019 Fiscal Year which was held on April 24, 2020, the GMS decided to cancel the appointment of Mr. Hadi Santoso (President Director) and Mr. Elfaurid Aguswantoro (Director of Consumer, Retail and Sharia Business) so that the composition of the Board of Directors of Bank Jatim after the Annual General Meeting of Shareholders for the 2019 Financial Year amounted to 5 (five) Directors

Name	Position	Executor	Rapture Basis	Effective Date
Busrul Iman	Commerce & Corporation Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019
Rizyana Mirda	Business Risk Director	Financial Services Authority	Extraordinary GMS on June 15, 2017	September 29, 2017
Tonny Prasetyo	IT & Operations Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019
Ferdian Timur Satyagraha	Finance Director	Financial Services Authority	Extraordinary GMS on June 15, 2017	December 22, 2017
Erdianto Sigit Cahyono	Compliance and Risk Management Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019

Composition and Basis of Board of Directors Appointment After the Extraordinary GMS of 2020

In accordance with the Extraordinary GMS of 2020 which was held on July 23, 2020, the GMS decided to appoint Mr. Busrul Iman as President Director. Thus, the composition of the Board of Directors of Bank Jatim after the Extraordinary GMS in 2020 amounted to 5 (five) Directors consisting of 1 (one) President Director and 4 (four) Directors. All Directors are domiciled at the Bank Jatim Head Office.

Name	Position	Executor	Rapture Basis	Effective Date
Busrul Iman	President Director	Financial Services Authority	Extraordinary GMS on July 23, 2020	July 23, 2020
Rizyana Mirda	Business Risk Director	Financial Services Authority	Extraordinary GMS on June 15, 2017	September 29, 2017
Tonny Prasetyo	IT & Operations Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019
Ferdian Timur Satyagraha	Finance Director	Financial Services Authority	Extraordinary GMS on June 15, 2017	December 22, 2017
Erdianto Sigit Cahyono	Compliance and Risk Management Director	Financial Services Authority	Extraordinary GMS on June 19, 2019	October 11, 2019

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 2020 there were no new Directors, so there was no orientation for new Directors.

The Supervision of the Board of Directors' Duties

The duties of the Board of Directors are as follows.

Table of Division of Duties of the Board of Directors

Name	Position	Task Field
Busrul Iman*	President Director	Coordinating the implementation of Corporate Secretary and Internal Audit activities.
Rizyana Mirda	Business Risk Director	Coordinating the implementation of the activities of the Business Risk Division and the Credit Rescue and Settlement Division.
Tonny Prasetyo	IT & Operations Director	Coordinating the implementation of the activities of the General Division, Information Technology Division and Operations Division.
Ferdian Timur Satyagraha	Finance Director	Coordinating the implementation of SEVP activities for Strategic Planning and Branch Development, the Financial Control Division and the Treasury Division.
Erdianto Sigit Cahyono	Compliance and Risk Management Director	Coordinating the implementation of the activities of the Corporate Risk Management Division, Compliance and Governance Division, Legal Division and Human Capital Division.

*Previously served as Commercial and Corporate Director and was appointed as President Director since July 23, 2020.

Relationship of the Director's Affiliation

Table of Directors' Affiliate Relationships

Name	Position	Financial, Family Relations and Management of Directors													
		Relation of Financial with						Relation of Family with						Management Relationship with Other Companies	
		Board of Commissioners		Board of Directors		Controlling Shareholders		Board of Commissioners		Board of Directors		Controlling Shareholders			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Busrul Iman*	President Director		✓		✓		✓		✓		✓		✓		✓
Rizyana Mirda	Business Risk Director		✓		✓		✓		✓		✓		✓		✓
Tonny Prasetyo	IT & Operations Director		✓		✓		✓		✓		✓		✓		✓
Ferdian Timur Satyagraha	Finance Director		✓		✓		✓		✓		✓		✓		✓
Erdianto Sigit Cahyono	Compliance and Risk Management Director		✓		✓		✓		✓		✓		✓		✓

*Previously served as Commercial and Corporate Director and was appointed as President Director since July 23, 2020.

Concurrent Position of Board of Directors

Table of Concurrent Position of Board of Directors

Name	Position	Position in Other Companies/ Agencies	Name of Company /Other Agencies
Busrul Iman*	President Director	-	-
Rizyana Mirda	Business Risk Director	-	-
Tonny Prasetyo	IT & Operations Director	-	-
Ferdian Timur Satyagraha	Finance Director	-	-
Erdianto Sigit Cahyono	Compliance and Risk Management Director	-	-

*Previously served as Commercial and Corporate Director and was appointed as President Director since July 23, 2020.

Management of Conflicts of Interest In The Board of Directors

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 decision-making 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 any actions that may harm the Bank or reduce the Bank's profits and are required to disclose the conflict of interest in each decision.

Share Ownership of the Board of Directors

Table of Board of Directors' Share Ownership

Name	Position	Share Ownership in Bank Jatim
Busrul Iman *	President Director	982.200 (0,0065412%)
Rizyana Mirda	Business Risk Director	3.443.733 (0,0229345%)
Tonny Prasetyo	IT & Operations Director	90.400 (0,0006020%)
Ferdian Timur Satyagraha	Finance Director	717.633 (0,0047793%)
Erdianto Sigit Cahyono	Compliance and Risk Management Director	65.000 (0,0004329%)

*Previously served as Commercial and Corporate Director and was appointed as President Director since July 23, 2020.

Meeting of the Board of Directors

Board of Directors 'Meeting Plan

No	Month	Meeting Implementation Estimates	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

Throughout 2020, the agenda, dates and participants of the Board of Directors Meeting are as follows.

Table of Board of Directors Meeting

No.	Date	Agenda	Meeting Participant	Present / Absent	Reasons for Absence
1.	March 23, 2020 059/029/CSE/KIN/RR	1. Covid-19 outbreak 2. Implementation of Work From Home (WFH).	Busrul Iman Rizyana Mirda Tonny Prasetyo Ferdian Timur Satyagraha Erdianto Sigit Cahyono	Present Present Present Not Present Present	Sick
2.	May 11, 2020 059/047/CSE/KIN/RR	1. Legal issues. 2. Multipurpose Credit Promotion via e-KMG.	Busrul Iman Rizyana Mirda Tonny Prasetyo Ferdian Timur Satyagraha Erdianto Sigit Cahyono	Present Present Present Present Present	

No.	Date	Agenda	Meeting Participant	Present / Absent	Reasons for Absence
3.	July 15, 2020 059/067/CSE/KIN/RR	1. Determination of the Bank Jatim marching song copyright competition. 2. July 2020 employee payroll system. 3. New normal transition working hours' adjustment. 4. Use of a lawyer.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
4.	July 15, 2020 059/068/CSE/KIN/RR	1. Integrity of one of the employees of Bank Jatim.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
5.	August 28, 2020 059/050/CSE/KEX/RR	1. Results of the meeting with Commission C. 2. Performance in August 2020. 3. Planned CSR for PCR cars.	Erdianto Sigit Cahyono	Present	
			Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
6.	September 10, 2020 059/086/CSE/KIN/RR	1. Bank Guarantee Issues. 2. NPL discussion. 3. Office Operations during the Pandemic. 4. Approval of employees / persons involved in the BG case.	Erdianto Sigit Cahyono	Present	
			Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
7.	September 11, 2020 059/087/CSE/KIN/RR	Bank Guarantee claims problems.	Erdianto Sigit Cahyono	Present	
			Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
8.	September 14, 2020 059/088/CSE/KIN/RR	1. Development of Bank Guarantee claims; 2. Use of Lawyer with National standard. 3. DNO Insurance. 4. Implementation of the covid protocol at the Bank Jatim Office.	Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
			Tonny Prasetyo	Present	
			Rizyana Mirda	Present	
			Busrul Iman	Present	
9.	September 18, 2020 059/093/CSE/KIN/RR	Bank Guarantee claims problems.	Erdianto Sigit Cahyono	Present	
			Ferdian Timur Satyagraha	Present	
			Tonny Prasetyo	Present	
			Rizyana Mirda	Present	
10.	September 22, 2020 059/096/CSE/KIN/RR	Development of Bank Guarantee claims.	Erdianto Sigit Cahyono	Present	
			Ferdian Timur Satyagraha	Present	
			Tonny Prasetyo	Present	
			Rizyana Mirda	Present	
			Busrul Iman	Present	
11.	October 5, 2020 059/100/CSE/KIN/RR	1. Discussion of insurance claims at the branch office. 2. Discussion of Audit results. 3. Discussion of the Bank's business. 4. Discussion of Bank Guarantee case problems.	Erdianto Sigit Cahyono	Present	
			Ferdian Timur Satyagraha	Present	
			Tonny Prasetyo	Present	
			Rizyana Mirda	Present	
			Busrul Iman	Present	

No.	Date	Agenda	Meeting Participant	Present / Absent	Reasons for Absence
12.	November 3, 2020 059/109/CSE/KIN/RR	Discussion related to Credit and Bank Guarantee issues at Bank Jatim.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
13.	November 10, 2020 059/110/CSE/KIN/RR	Bank Jatim performance in October 2020 position and action plan to fulfill Management's target until the end of 2020.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
14.	December 21, 2020 059/118/CSE/KIN/RR	1. Discusses additional income by taking into account the abilities, performance of work units and individuals of each employee. 2. LHKPN report for echelon I officials. 3. Discuss HP and SMS problems. 4. Discuss the subject of SEVP. 5. Ordering SPD enforcement for PCs. 6. Discuss Learning Center.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	

The agenda and participants of the joint meeting of the Board of Commissioners and the Board of Directors have been presented in the section of the Board of Commissioners Meeting in the Chapter of Corporate Governance in this Annual Report.

Frequency and Attendance of the Board of Directors

During 2020, the Board of Directors held 14 (fourteen) internal meetings of the Board of Directors and 12 (twelve) joint meetings of the Board of Commissioners and the Board of Directors. The frequency and attendance of meetings of each member of the Board of Directors are as follows.

Table of Frequency and Attendance of Directors' Meetings

Name	Position	Board of Directors Meeting			Joint Meeting of the Board of Directors and the Board of Commissioners		
		Number and Percentage of Attendance			Number and Percentage of Attendance		
		Number of Meetings	Number of Attendance	Percentage	Number of Meetings	Number of Attendance	Percentage
Busrul Iman*	President Director	14	14	100%	12	8	67%
Rizyana Mirda	Business Risk Director	14	14	100%	12	10	83%
Tonny Prasetyo	IT & Operations Director	14	14	100%	12	11	92%
Ferdian Timur Satyagraha	Finance Director	14	13	93%	12	8	67%
Erdianto Sigit Cahyono	Compliance and Risk Management Director	14	14	100%	12	10	83%

*Previously served as Commercial and Corporate Director and was appointed as President Director since July 23, 2020.

Decisions and Implementation of Duties of the Board of Directors

During 2020, the Board of Directors carried out its duties, obligations and responsibilities in order to manage the Company as stipulated in the prevailing laws and regulations, the Articles of Association of the Company and the Work Plan set at the beginning of the year. The general implementation of the duties of the Board of Directors during 2020 is as follows:

1. Preparation of the Company's Bank Business Plan.
2. Fulfillment of the Company's performance targets by maximizing credit segment growth.
3. Development of a Sustainable Finance Action Plan (RAKB).
4. Implementation of IT Strengthening and Digital Banking Development projects.
5. Asset and financial management.
6. Conducting a meeting of the Board of Directors.
7. Attend the Board of Commissioners meeting.

8. The 2019 Annual General Meeting of Shareholders was held on April 24, 2020.
9. Supervision and improvement of internal business processes.
10. Implementation of Good Corporate Governance in every business activity.
11. Disbursement of CSR funds. The Company's social responsibility is manifested in various activities included in the Bank Jatim Peduli program.
12. Implementation of other duties related to the management of the Company.

The Directors Decrees issued during 2020 include:

No	Subject
1	Guidelines for Implementing Certification of Land Rights Certification of PT BPD Jatim Tbk
2	PT BPD Jatim Tbk Employee Pension Fund Governance Guidelines
3	Designation and Appointment of Project Leaders and Project Support Team
4	Management of Goods / Services in the Service Funds and E-Banking Division of PT BPD Jatim Tbk for the 2020 Fiscal Year
5	Guidelines for Implementing Bank Jatim Mobile Banking Policies PT BPD Jatim Tbk
6	Standard Operating Procedure (SOP) of Bank Jatim Mobile Banking PT BPD Jatim Tbk
7	Establishment of PT BPD Jatim Tbk Goods / Services Procurement Committee for the 2020 Fiscal Year
8	Procurement of Goods / Services in the General Division of PT BPD Jatim Tbk 2020 Budget
9	Appointment and Appointment of Project Leaders and Project Support Team for the Procurement of Goods / Services in the General Division of PT BPD Jatim Tbk for Fiscal Year 2020
10	The Team for Establishing a Venture Capital Company of PT BPD Jatim Tbk
11	Appointment and Appointment of PT BPD Jatim Tbk's Procurement Committee for the Work Results of the Procurement of Goods / Services for the 2020 Fiscal Year
12	Appointment in Position
13	Guidelines for the Implementation of Micro and Small Productive Loans of PT BPD Jatim Tbk
14	Guidelines for Implementing Credit Administration & Business Legal PT BPD Jatim Tbk
15	Guidelines for the Implementation of Credit Collateral for PT BPD Jatim Tbk
16	Guidelines for the Implementation of East Java Pay PT BPD Jatim Tbk
17	Guidelines for Implementing Virtual Accounts of PT BPD Jatim Tbk
18	Standard Operational Procedure (SOP) East Java Pay PT BPD Jatim Tbk
19	Vision and Mission of PT BPD Jatim Tbk
20	Guidelines for the Implementation of Property Loans of PT BPD Jatim Tbk
21	Changes in the Implementation Guidelines for Medium and Corporate Credit PT BPD Jatim Tbk
22	Changes to the Guidelines for the Implementation of Multipurpose Loans for PT BPD Jatim Tbk
23	Regional Securities Company Formation Team PT BPD Jatim Tbk
24	Establishment of the PT BPD Jatim Tbk GMS Implementation Committee for the 2019 Financial Year
25	Formation of PT BPD East Java's PT BPD East Java Team for the Prevention & Control of the Spread of the Corona Covid-19 Virus Outbreak
26	Guidelines for Implementing the Management of the Subsidiary Company PT BPD Jatim Tbk
27	Guidelines for Implementing Policies and SOPs for Smart Practice PT BPD Jatim Tbk
28	Changes to the Guidelines for the Implementation of Electronic Data Capture (EDC) PT BPD Jatim Tbk
29	Guidelines for Implementing Risk Management Policies of PT BPD Jatim Tbk
30	Guidelines for the Implementation of Internal Audit of PT BPD Jatim Tbk
31	Standard Operating Procedure for Upas Financing Transactions PT BPD Jatim Tbk
32	Guidelines for Implementing Public Relations of PT BPD Jatim Tbk
33	Provisions for the Granting of Special Interest Rates for the Conditions of the COVID-19 Pandemic PT BPD Jatim Tbk
34	Changes to the Guidelines for Implementing Stimulus for Debtors Affected by COVID-19 PT BPD Jatim Tbk
35	Establishment of the PT BPD Jatim Tbk Governance Improvement Team
36	Guidelines for the Implementation of Retail Credit for PT BPD Jatim Tbk
37	Guidelines for Implementation of Social and Environmental Responsibility of PT BPD Jatim Tbk
38	Guidelines for the Implementation of Protocols of PT BPD Jatim Tbk
39	Standard Operating Procedure (SOP) for Research & Development of PT BPD Jatim Tbk
40	Standard Operating Procedure (SOP) Financial Institution PT BPD Jatim Tbk
41	Guidelines for Implementing Bank Strategic Plans and Business Plans
42	Compliance Implementation Guidelines for PT BPD Jatim Tbk

No	Subject
43	Guidelines for Implementation of Conflicts of Interest PT BPD Jatim Tbk
44	Guidelines for Implementing Virtual Accounts of PT BPD Jatim Tbk
45	Standard Operating Procedure for Virtual Accounts of PT BPD Jatim Tbk
46	Changes to the Guidelines for the Implementation of the PT BPD Jatim Tbk. Automatic Teller Machine
47	The Team for Organizing and Updating the Company Manual of PT BPD Jatim Tbk
48	Guidelines for the Implementation of PSAK 71 PT BPD Jatim Tbk
49	Guidelines for Implementing Bank Soundness Level Assessment PT BPD Jatim Tbk
50	Guidelines for the Implementation of the Integrated Minimum Capital Requirement for the Financial Conglomeration of PT BPD Jatim Tbk

Evaluation of the Company Strategy

Evaluation of the Company's strategy that is in line with the Company's Vision and Mission as well as the latest business environment is always carried out periodically and involves all Directors and executive officers. In the Review forum to find out the level of achievement and direction of the business. The work plan prepared by the Board of Directors is submitted to the Board of Commissioners for approval.

Performance Assessment of the Board of Directors

The evaluation of the performance of the Board of Directors which is carried out by the Shareholders is held in the process of the General Meeting of Shareholders (GMS). The assessment is carried out based on the achievement of key performance indicators (KPI) that have been previously approved by the Shareholders, the Board of Commissioners and the Board of Directors.

Procedures For the Implementation of the Performance of the Board of Directors

The performance achievement of the Board of Directors is reported to shareholders through the GMS.

Evaluation Criteria of the Board of Directors Performance

Performance Appraisal of Individual Directors:

1. President Director
 - Achievement of performance and financial ratios in accordance with the RBB
 - Performing Loan
 - Implementation of Good Corporate Governance

- The distribution of CSR is right on target
 - Compliance with financial reporting
 - Implementation of Initiation Projects, Organizational Structure, Corporate Culture, and Green Banking
2. Commercial & Corporate Director
 - Realization of Corporate and Syndicated Commercial Loans
 - Performing Loan
 - Contribution of Base Income Fee
 - Maintain good relations and add Counter Part
 3. Director of Consumer, Retail and Sharia Business
 - Retail and Sharia Credit Realization
 - Consumer Credit Realization
 - Performing Loan
 - Contribution of Base Income Fee
 4. Business Risk Director
 - Performing Loan
 - Extracomtable Achievements
 5. Director of IT and Operations
 - Optimization of Digital Banking
 - Optimization of Branch Performance
 6. Finance Director
 - Achievement of Financial Ratios
 - Realization of KUD and RBB
 7. Compliance and Risk Management Director
 - The achievement of Human Capital management strategies and targets
 - Monitoring the completion of audit follow-up
 - Compliance monitoring at Bank Jatim

The criteria for evaluating the performance of the Board of Directors are based on Key Performance Indicators (KPI), namely:

KPI	Measurement	Value
1 FINANCIAL		
Financial ratios	According to RBB	7.00%
Growth Total DPK	According to RBB	7.00%
CASA achievements	According to RBB	7.00%
Credit Growth	According to RBB	10.50%
Achievement of NPL	According to RBB	7.00%
Growth in Net Profits	According to RBB	10.50%
Growth Asset	According to RBB	7.00%
Extracomtable Achievements	According to RBB	7.00%
Growth Market Capitalization compared to BPD Group pier	According to RBB	7.00%

KPI		Measurement	Value
2	CUSTOMER FOCUS		
	Ranking of Best Overall Performance Service Excellent for the BPD category	Ranking	3.00%
	PEFINDO ranking position	Ranking	1.00%
	GMS implementation	According to RBB	2.00%
	CSR program	According to RBB	2.00%
	Financial report reporting	According to RBB	1.00%
	Market Share Credit	According to RBB	1.00%
3	INTERNAL BUSSINESS PROCESS		
	Bank Soundness Level Assessment	Scoring in accordance to RBB	3.00%
	Good Corporate Governance	Scoring in accordance to RBB	1.50%
	Implementation of the Initiation Project	According to RBB	3.00%
	Branch Monitoring Implementation	According to RBB	1.50%
	Implementation of Organizational Structure	According to RBB	3.00%
	Implementation of the Audit Plan	According to RBB	3.00%
4	LEARNING & GROWTH		
	Employee competency improvement	According to RBB	1.25%
	Implementation of Corporate Culture	According to RBB	2.50%
	Green Banking Implementation	According to RBB	1.25%
Total			100.00%

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 Directors 'Performance Assessment

The basis for evaluating the performance of the Board of Directors refers to the key performance indicators (KPI). The implementation of the duties and responsibilities of the Board of Commissioners and the Board of Directors as well as the performance achievements in the 2020 period will be conveyed and accounted for in the GMS which will be held in 2021.

Performance Assessment of Committees Under the Board of Directors, Corporate Secretary, Internal Audit Unit, Risk Management Unit and the Basis of the Assessment

During 2020, the Board of Directors assessed that the committees under the Board of Directors have 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 2020, the ALCO held 14 (fourteen) 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 2020, the Risk Management Committee held 4 (four) 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 2020, the ALCO committee held 14 (fourteen) meetings.

Information Technology Steering Committee (ITSC)

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 2020, the ALCO committee 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 set by the Board of Directors with due observance to business development without abandoning prudential principles including restructuring and credit settlement.

- Credit Implementation Committee
During 2020, the Credit Implementation Committee held 66 (sixty six) meetings.
- Credit Rescue Committee
During 2020, the Credit Rescue Committee held 141 (one hundred and forty one) meetings.
- Credit Settlement Committee
During 2020, the Credit Rescue Committee has carried out its duties and responsibilities.

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 with due regard to business development without abandoning prudential principles including restructuring and financing settlement.

- Financing Implementation Committee
During 2020, the Financing Implementation Committee has held 11 (eleven) meetings.
- Financing Rescue Committee
During 2020, the Financing Rescue Committee has held 47 (forty seven) meetings.
- Financing Settlement Committee
During 2020, the Financing Settlement Committee has carried out its duties and responsibilities.

Credit Policy Committee

The Credit 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. During 2020, the Conventional Credit Policy Committee and the Financing Policy Committee have carried out their duties and responsibilities.

Product, Network and Procedure Committee

PJP Committee for Product

The Product Sector Committee is a committee formed by the Board of Directors to take steps to develop products/activities, both in the retail and corporate segments, which can improve the Bank's ability to compete and develop in the banking world. During 2020, the Product Sector PJP committee has held 1 (one) meeting

PJP Committee for Networking

The Network Committee has the role of compiling 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 2020, the Network Sector PJP Committee held 5 (five) meetings.

PJP Committee on Procedures

The PJP Committee on Procedures is a committee formed by the Board of Directors to evaluate and recommend the issuance or update of the Bank's Policy and Procedure Book so that the Implementation Manual (BPP) used as a company work guideline does not deviate and is in accordance with the provisions. During 2020, the PJP Committee for Procedures held 27 (twenty seven) meetings.

Integrated Risk Management Committee

In order to implement a comprehensive and effective Integrated Risk Management, the Bank issued a decision regarding the establishment of the Integrated Risk Management Committee for Financial Conglomerates Decree of the Board of Directors Number 053/306/KEP/DIR/MR concerning the Establishment of the Integrated Risk Management Committee (KMRT) on 31 December 2015. During In 2020, the Integrated Risk Management Committee has carried out its duties and responsibilities.

In addition to assessing the performance of the Committees under the Board of Directors, the Board of Directors also assesses the performance of all Units under the Board of Directors. Performance assessment for the Corporate Secretary, Internal Audit and Risk Management Division is carried out based on the achievement of the Key Performance Indicator (KPI) of each unit. In 2020, the achievement of the KPI for the Corporate Secretary, Internal Audit and Risk Management Division received the title **Meet Expection 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 Company.

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.

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. 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 follow-up 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 2020 the Secretariat of the Board of Commissioners has carried out the following tasks:

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. 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. Carry out other duties to support the smoothness of the supervisory and advisory duties carried out by the Board of Commissioners.
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 of an Accountant based on the independency, scope of assignment, and service fees.
5. Review the implementation of audits by internal auditors and oversee the follow-up actions by the Board of Directors on the findings of internal auditors.
6. Review the implementation of audits by external auditors and supervise follow-up actions by the Board of Directors on the findings of external auditors (OJK, BPK, KAP, BI and BPKP).
7. Review the risk management implementation activities carried out by the Board of Directors, if the Bank does not have a risk monitoring function under the Board of Commissioners.
8. Review complaints related to the accounting process and financial reports of the Bank.
9. Review and provide advice to the Board of Commissioners regarding the potential conflict of interests of the Bank.
10. Maintain the confidentiality of Bank documents, data and information.
11. Assist the Board of Commissioners to:
 - a. Constantly improve the quality of the implementation of Good Corporate Governance by applying the principles of Transparency, Accountability, Responsibility, Independency and Fairness, to contribute to strengthen the national internal banking condition.
 - b. Encourage the implementation of good corporate governance, the formation of an adequate internal control structure, improve the quality of financial disclosure and financial reporting, as well as examine the scope, determination of independence and objectivity of public accountants.
 - c. Assess the adequacy of the Bank's internal audit function, to further assess all aspects of activities of the Bank in accordance with applicable laws and regulations.
 - d. Assess the effectiveness of the Bank's internal audit duties in to manifest a healthy bank that is able to develop naturally.

Audit Committee

Basis For Establishing the Audit Committee

The establishment of the Audit Committee is based on the following rules:

1. POJK No. 55/POJK.04/2015 concerning the Establishment and Guidelines for the Work Implementation of the Audit Committee, dated December 23, 2015.
2. POJK No. 55/POJK.03/2016 concerning Implementation of Good Corporate Governance for Commercial Banks, dated December 7, 2016.
3. OJK Circular No. 13/SEOJK.03/2017, concerning Implementation of Governance for Commercial Banks, dated March 17, 2017.
4. POJK No. 46 /POJK.03/2017 concerning Implementation of Compliance Function for Commercial Banks, dated July 12, 2017.
5. POJK No. 39/POJK.03/2019 concerning the Implementation of Anti-Fraud Strategy for Commercial Banks, December 19, 2019.
6. 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.

Audit Committee Charter

The Audit Committee has a Work Manual which is regulated in the Charter/Implementation Guidelines for the Board of Commissioners Committee Number 058/002/DK/Kep dated April 23, 2019, which regulates:

1. Purpose
2. Composition, structure, tenure and membership
3. Responsibility Duties
4. Authority
5. Procedures, procedures and conduct of meetings
6. Reporting
7. Handling of complaints or reporting in relation to suspected violations related to financial reports
8. Ethics and working hours
9. Audit Committee Charter reviewed and updated

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.

Structure, Membership, and Expertise of the Audit Committee

The structure, membership and expertise of the Audit Committee can be seen in the table below.

Table of Audit Committee Structure, Membership and Expertise

Name	Position	Determination Decree	Expertise	Information
Rudi Purwono	Chairman concurrently Member	Decree of the Board of Directors Number 058/339/DIR/HCP/KEP concerning Changes in the Composition of the Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. 2019-2022 period	Economy	Independent Commissioner
Candra Fajri Ananda	Member		Economy	Independent Commissioner
Muhammad Mas'ud	Member		Economy	Independent Commissioner
Akhmad Djauhari	Member		Economy	Independent Party

Profile of Audit Committee

The profile of the Audit Committee as of December 31st, 2020, is as follows.



Rudi Purwono

Chairman concurrently Member of Audit Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Candra Fajri Ananda

Member of 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.



Akhmad Djauhari

Member of Audit Committee



Indonesian citizen, domicile in Surabaya. Born in Mojokerto on April 16, 1961, 59 years old.



Educational background

Bachelor's degree in Economic Science and Development Studies of Universitas Wijaya Putra, Surabaya (1995) and Master's degree in Management from STIE Artha Bodhi Iswara, Surabaya (2002).



Job History

- Staff of the Verification Section at the Main Branch, Surabaya in 1986.
- Staff of the Internal Control Section at the Main Branch, Surabaya in 1988.
- Credit Analyst Marketing Section at the Surabaya Main Branch in 1992.
- Marketing Supervisor at Dr. Hospital Branch. Soetomo, Surabaya in 2000.
- Marketing Supervisor at Main Branch, Surabaya in 2002.
- Accounting & Technology Supervisor at the Main branch, Surabaya in 2003.
- Internal Control at the Main Branch, Surabaya in 2004.
- Auditor in the Supervision Division in 2006.
- Surabaya Sharia Branch Auditor in 2007
- Special Auditor (Special & Assurance Audit) in the Internal Audit Division in 2013.
- Senior Auditor, Sub Division of Special & Assurance Audit in the Audit Division in 2014.
- Leader of the Sub Division of Special & Assurance Audit in the Audit Division in 2015.
- Retired Bank Jatim employees in 2017.
- Member of the Audit Committee in 2019.



Basic Appointment and Position Period

SK Number 058/339/DIR/HCP/KEP
Period 2019-2022

Qualification of Education and Experience of Audit Committee

Table of Audit Committee Education Qualification and Work Experience

Name	Position	Education	Work Experience
Rudi Purwono	Chairman concurrently Member	<ul style="list-style-type: none"> Bachelor degree in Economics and Development Studies Master (MSE) in Monetary Economics Doctorate (Dr) in the field of Monetary Economics 	He has work experience in, among others, finance, research, economics and banking supervision
Muhammad Mas'ud	Member	<ul style="list-style-type: none"> Bachelor degree in Public Administration Master of Management Doctor (Ph.D) in the field of School of Political and International Studies 	Have work experience in, among others, finance, political science and economics
Candra Fajri Ananda	Member	<ul style="list-style-type: none"> Bachelor degree in Economics and Development Studies Master Degree (MSc.) In Rural Development Doctor Degree (DR) in the field of Rural Development 	Have work experience in, among others, finance, research, international relations, economics and banking supervision
Akhmad Djauhari	Member	<ul style="list-style-type: none"> Bachelor degree in Economics & Development Studies Master of Management 	Have work experience, among others, in the banking sector

Audit Committee Independence

Table of Audit Committee Independence

Independence Aspects	Rudi Purwono	Muhammad Mas'ud	Candra Fajri Ananda	Akhmad Djauhari
No financial relationship with the Board of Commissioners and Directors	✓	✓	✓	✓
No management relationship in the company, its subsidiaries, or affiliated companies	✓	✓	✓	✓
No share ownership relationship in the company	✓	✓	✓	✓
No family relations with Board of Commissioners, and/or fellow members of the Audit Committee	✓	✓	✓	✓
Do not serve as a manager of political parties, officials and government	✓	✓	✓	✓

Audit Committees Meeting

The Audit Committee holds regular meetings at least 1 (one) time in 3 (three) months. Audit Committee Meetings can be held if attended by more than 1/2 (one half) of the number of members. Decisions of the Audit Committee meetings are made based on deliberation to reach consensus. In the event that consensus does not occur, decision making is carried out based on the majority of votes. Dissenting opinions that occur in committee meetings must be clearly stated in the minutes of the meeting along with the reasons for such disagreements.

AGENDA OF COMMITTEE AUDIT MEETING

Throughout 2020, the implementation of meeting agenda and Audit Committee meeting participants, are as follows.

Table of Agenda of Committee Audit Meeting

No.	Meeting Date	Meeting Agenda	Meeting Participant
1	May 15, 2020	Follow-up to the 2019 Special Audit and the General Audit Report for the 1st Quarter of 2020.	<ul style="list-style-type: none"> Rudi Purwono Muhammad Mas'ud Candra Fajri Ananda Achmad Djauhari
2	July 06, 2020	Evaluation of the Implementation of Providing Audit Services for Financial Statements for the 2019 Financial Year by KAP Paul Hadiwinata, Hidayat, Arsono, Retno, Palilingan & Partners.	<ul style="list-style-type: none"> Rudi Purwono Muhammad Mas'ud Candra Fajri Ananda Achmad Djauhari
3	September 14, 2020	Appointment of KAP to Audit the Financial Statements of PT. East Java Regional Development Bank, Tbk which ended on December 31, 2020, including the Sharia Business Unit.	<ul style="list-style-type: none"> Rudi Purwono Muhammad Mas'ud Candra Fajri Ananda Achmad Djauhari
4	September 25, 2020	Appointment of KAP to Audit the Financial Statements of PT. East Java Regional Development Bank, Tbk which ended on December 31, 2020, including the Advanced Sharia Business Unit 1 from the previous meeting on September 14, 2020.	<ul style="list-style-type: none"> Rudi Purwono Candra Fajri Ananda Achmad Djauhari

No.	Meeting Date	Meeting Agenda	Meeting Participant
5	September 29, 2020	Briefing of the Board of Commissioners at the Bank Jatim Caturwulan II 2020 Performance Evaluation event.	- Rudi Purwono - Candra Fajri Ananda - Achmad Djauhari
6	October 9, 2020	Appointment of KAP to Audit the Financial Statements of PT Bank Pembangunan Daerah Jawa Timur, Tbk which ended on December 31, 2020, including the Sharia Business Unit.	- Rudi Purwono - Muhammad Mas'ud

FREQUENCY AND ATTENDANCE OF AUDIT COMMITTEE MEETINGS

During 2020, the Audit Committee held 6 (six) 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
Rudi Purwono	Chairman concurrently Member	6	6	100%
Candra Fajri Ananda	Member	6	4	89%
Muhammad Mas'ud	Member	6	4	89%
Akhmad Djauhari	Member	6	6	100%

Audit Committee Income

No	Description	Non-Commissioner Members
1	Salary/Honorarium	Receive an honorarium of 14% of the President Director's salary
2	Retirement Compensation	Not Given
3	Holiday allowance	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank
4	Bonus/bonus	In accordance with the applicable regulations for permanent bank employees
5	Facilities:	
	Transportation Allowance	Not Given
	Health	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank
	Business trips	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank

Brief Report on the Implementation of Audit Committee Activities In 2020

The Audit Committee has carried out its duties and responsibilities properly. The Audit Committee has held 6 (six) meetings and carried out its duties, which include:

1. Implementation of follow-up reports on fraud cases in 2019 and matters that require approval from the Board of Commissioners, including reports on the realization of business plans, reports on the implementation of the audit function, review of corporate financial reports, reports of conflicts of interest and evaluation reports on internal audit results.
2. Preparation of recommendations and reports including approval of the Audit Plan from the Internal Audit Division, appointment of KAP, evaluation of the compliance function report from the Compliance Director, changes to the Audit Plan and the Report on the Results of the Evaluation of the Implementation of Audit Services for the Annual Historical Financial Information of PT Bank Pembangunan Daerah Jawa Timur Tbk Year Book 2019.
3. Maintain communication and coordination with work units in Bank Jatim. This communication was carried out, among others, by inviting related work units in discussions to discuss current issues at Bank Jatim.

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 Number 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 058/002/DK/Kep dated April 23, 2019, which regulates:

1. Roles and Functions
2. Duties and Responsibilities
3. Authority
4. Membership Structure, Position and term of office
5. Work Guidelines and Procedures
6. 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 employees.
 - f. Assist the Board of Commissioners in providing recommendations on compensation systems and other benefits for employees.
 - g. Ensure that the remuneration policy complies with the provisions.
 - h. Conduct periodic evaluations of the implementation of remuneration policies.
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.
 - 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.

Structure, Membership and Expertise of the Remuneration and Nomination Committee

Table of Structure, Membership and Expertise of the Remuneration and Nomination Committee

Name	Position	Determination Decree	Information	Expertise
Candra Fajri Ananda	Chairman concurrently Member	Decree of the Board of Directors Number 058/339/DIR/HCP/KEP concerning Changes in the Composition of the Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. 2019-2022 period	Independent Commissioner	Economic
Rudi Purwono	Member		Independent Commissioner	Economic
Akhmad Sukardi	Member		President Commissioner	Economic, Accounting
Muhammad Mas'ud	Member		Independent Commissioner	Economic
Heru Tjahjono	Member		Commissioner	Economic
Budi Setiawan	Member		Commissioner	Economic
Budi Sumarsono	Member		Ex-Officio Member	Economic

Profile of the Remuneration and Nomination Committee

The profile of the Remuneration and Nomination Committee as of December 31, 2020 is as follows.



Candra Fajri Ananda

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.



Rudi Purwono

Member of Remuneration and Nomination Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Akhmad Sukardi

Member of Remuneration and Nomination Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Muhammad Mas'ud

Member of Remuneration and Nomination Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Heru Tjahjono

Member of Remuneration and Nomination Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Budi Setiawan

Member of Remuneration and Nomination Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Budi Sumarsono

Member of Remuneration and Nomination Committee



Indonesian citizen, domicile in Surabaya. Born in Madiun on September 2, 1966, 54 years old.



Educational background

- Bachelor of Finance from Muhammadiyah University, Ponorogo (1992).
- Master of Law Science from Merdeka University, Ponorogo (1999).
- Master of Management from Widya Jayakarta University, Jakarta (2000).



Job History

Joined Bank Jatim in 1993. Prior to his current position, he served as Head of Operations for the Magetan Branch (2013-2014), Acting Head of the Probolinggo Branch (2014-2015), Acting Head of the Gresik Branch (2015), Head of the Gresik Branch (2015-2017), Head of Main Branch Operations (2017-2018), Acting Head of Compliance and Governance Division (2018), Acting Head of Head Office International Banking Division (2018), Head of Head Office International Banking Division (2018-2019).



Basic Appointment

Directors Decree No. 058/225 / DIR / HCP / KEP dated August 12, 2019.

Qualification of Education and Experience of Audit Committee

Table of Audit Committee Education Qualification and Work Experience

Name	Position	Education	Work Experience
Candra Fajri Ananda	Chairman concurrently Member	<ul style="list-style-type: none"> • Bachelor degree in Economics and Development Studies • Master Degree (MSc.) In Rural Development • Doctor Degree (DR) in the field of Rural Development 	Have work experience in, among others, finance, research, international relations, economics and banking supervision
Rudi Purwono	Member	<ul style="list-style-type: none"> • Bachelor degree in Economics and Development Studies • Master (MSE) in Monetary Economics • Doctorate (Dr) in the field of Monetary Economics 	He has work experience in, among others, finance, research, economics and banking supervision
Akhmad Sukardi	Member	<ul style="list-style-type: none"> • Bachelor degree in Accounting • Master of Management • Doctorate in Administrative Sciences 	Have work experience in, among others, finance, political science, economics and banking supervision
Muhammad Mas'ud	Member	<ul style="list-style-type: none"> • Bachelor degree in Public Administration • Master of Management • Doctor (Ph.D) in the field of School of Political and International Studies 	Have work experience in, among others, finance, political science and economics
Heru Tjahjono	Member	<ul style="list-style-type: none"> • Bachelor degree in Civil Engineering • Master of Management • Environmental and Development Assessment 	Have work experience in the government sector.
Budi Setiawan	Member	<ul style="list-style-type: none"> • Bachelor degree in Socio-Economic Sciences • Master of Technology Management • Doctorate (Dr) in Economics Elmu 	Have work experience in the government sector.
Budi Sumarsono	Member	<ul style="list-style-type: none"> • Bachelor degree in Law • Bachelor degree in Management Economics • Master of Management 	Have work experience, among others, in the banking sector

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

Independence Aspects	Candra Fajri	Akhmad Sukardi	Rudi Purwono	M. Mas'ud	Budi Setiawan	Heru Tjahjono	Budi Sumarsono
No financial relationship with the Board of Commissioners and Directors	✓	✓	✓	✓	✓	✓	✓
No management relationship in the company, its subsidiaries, or affiliated companies	✓	✓	✓	✓	✓	✓	✓
No share ownership relationship in the company	✓	✓	✓	✓	✓	✓	✓
Does not have family relations with the Board of Commissioners, Directors, and/ or fellow members of the Nomination and Remuneration Committee	✓	✓	✓	✓	✓	✓	✓
Do not serve as a manager of political parties, officials and government	✓	✓	✓	✓	✓	✓	✓

Meeting of the Nomination and Remuneration Committee

Remuneration and Nomination Committee Meetings are held regularly at least 1 (one) time in 4 (four) months. Remuneration and Nomination Committee meetings can only be held if attended by a majority of the members of the Remuneration and Nomination Committee and one of the majority members of the Remuneration and Nomination Committee is the Chair 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 Participant
1	January 17, 2020	Recapitulation and Administrative Selection of Applicants for the Board of Directors	<ul style="list-style-type: none"> - Candra Fajri Ananda - Akhmad Sukardi - Budi Setiawan - Rudi Purwono - Heru Tjahjono - Muhammad Mas'ud
2	February 04, 2020	Discussion related to the Establishment of the Assessment Institute for Candidates for the Board of Directors of Bank Jatim	<ul style="list-style-type: none"> - Candra Fajri Ananda - Akhmad Sukardi - Rudi Purwono - Budi Setiawan
3	February 14, 2020	Discussion Regarding the Board of Directors' Proposal for the 2020 Leave Plan	<ul style="list-style-type: none"> - Candra Fajri Ananda - Rudi Purwono - Budi Setiawan - Budi Sumarsono
4	March 11, 2020	Final Evaluation and Recommendation of Candidates for President Director and Candidates for Director of Consumer, Retail and Sharia Business	<ul style="list-style-type: none"> - Candra Fajri Ananda - Akhmad Sukardi - Rudi Purwono - Budi Setiawan - Heru Tjahjono - Muhammad Mas'ud
5	April 08, 2020	Discussion regarding the Remuneration of the Sharia Supervisory Board. Discussion regarding OJK's request regarding a Legal Review on the Age of Candidate for Directors	<ul style="list-style-type: none"> - Candra Fajri Ananda - Akhmad Sukardi - Muhammad Mas'ud - Rudi Purwono - Budi Setiawan - Budi Sumarsono
6	April 27, 2020	Discussion regarding the Remuneration Policy for Bank Jatim Management (Directors and Board of Commissioners)	<ul style="list-style-type: none"> - Candra Fajri Ananda - Akhmad Sukardi - Rudi Purwono - Budi Setiawan - Budi Sumarsono
7	December 23, 2020	Discussion on Approval for Provision of Additional Performance Income at the End of 2020	<ul style="list-style-type: none"> - Candra Fajri Ananda - Akhmad Sukardi - Rudi Purwono - Budi Setiawan - Muhammad Mas'ud

FREQUENCY AND ATTENDANCE LEVEL OF MEETING OF NOMINATION AND REMUNERATION COMMITTEE

Table of Attendance Level of Remuneration and Nomination Committee Meetings

Name	Position	Nomination, Remuneration and Risk Committee Meetings		
		The Number and Attendance Percentage		
		Number of Meetings	Number of Attendance	Percentage
Candra Fajri Ananda	Chairman concurrently Member	7	7	100%
Rudi Purwono	Member	7	7	100%
Akhmad Sukardi	Member	7	6	85%
Muhammad Mas'ud	Member	7	4	57%
Heru Tjahjono	Member	7	2	29%
Budi Setiawan	Member	7	7	100%
Budi Sumarsono	Member	7	3	43%

Nomination and Remuneration Committee Income

No	Description	Non-Commissioner Members
1	Salary/Honorarium	Receive an honorarium of 14% of the President Director's salary
2	Retirement Compensation	Not Given
3	Holiday allowance	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank
4	Bonus/bonus	In accordance with the applicable regulations for permanent bank employees
5	Facilities:	
	a. Transportation Allowance	Not Given
	b. Health	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank
	c. Business trips	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank

Brief Report on the Implementation of Remuneration and Nomination Committee Activities In 2020

In the process of selecting the President Director and Director of Consumer Retail & Sharia Business in 2020, the Remuneration and Nomination Committee conducts administrative selection of several applicants, then reports are made to the Board of Commissioners regarding the list of names that will be included in the assessment stage with a third party.

In the assessment process, the Remuneration and Nomination Committee provides recommendations/considerations to the Board of Commissioners in determining the third party to be appointed as the institution to carry out the assessment.

The Remuneration and Nomination Committee provides an assessment/evaluation of each approved candidate for Directors to be recommended to the Board of Commissioners for a fit and proper test by the Financial Services Authority.

The Remuneration and Nomination Committee together with the Human Capital Division have drafted a Decree of the Board of Commissioners concerning the Composition of the Sharia Supervisory Board of Bank Jatim along with a clause regarding the relevant Remuneration in accordance with applicable regulations which will be subsequently ratified by the Board of Commissioners. In addition, the Remuneration and Nomination Committee also approved in principle the

BPP on the Implementation of Governance for the Provision of Remuneration for management and its facilities, which can then be stipulated in a Board of Commissioners decision letter.

The Remuneration and Nomination Committee also held several coordination meetings related to the implementation of additional income during 2020.

Board of Directors Success Policy

The succession policy for the Board of Directors of Bank Jatim starts from the nomination process and the selection of the Board of Directors is proposed to the GMS by taking into account the recommendations of the Board of Commissioners through the Remuneration and Nomination Committee first. In the process of selecting and/or replacing members of the Board of Directors, there are 2 (two) patterns in the implementation as stated in the Nomination and Selection Process section of the Board of Directors.

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. Financial Services Authority Regulation No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.
2. OJK Regulation No. 17/POJK.03/2014 dated 18 November 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

The Risk Monitoring Committee has a Work Guidelines set out in the Charter/Implementation Guidelines for the Board of Commissioners Committee Number 058/002/DK/Kep dated 23 April 2019, which regulates:

1. Roles and Functions
2. Duties and Responsibilities
3. Authority
4. Membership Structure, Position and Term of Office
5. Work Guidelines and Procedures
6. Meetings
7. Reporting

Duties and Responsibilities of the Risk Monitoring Committee

As a recommendation to the Board of Commissioners in reviewing the risk management system and improving risk management policies, the duties and responsibilities of the Risk Monitoring Committee are as follows:

1. Always improve the quality of the implementation of good governance (Good Corporate Governance) by applying the principles of Transparency, Accountability, Responsibility, Independency, and Fairness, to strengthen the internal condition of the national banking.
2. Evaluate and provide input to the Board of Commissioners regarding the adequacy, suitability of risk management policies and the implementation of Bank policies.
3. Monitor and evaluate the implementation of the duties of the Risk Management Committee and the risk management work unit, in order to provide recommendations to the Board of Commissioners and coordinate with related work units in making reports that are the authority and responsibility of the Board of Commissioners.

Structure, Membership, and Expertise of Risk Monitoring Committee

Table of Structure, Membership and Expertise of the Risk Monitoring Committee

Name	Position	Determination Decree	Information	Expertise
Muhammad Mas'ud	Chairman concurrently Member	Decree of the Board of Directors Number 058/339/DIR/HCP/KEP concerning Changes in the Composition of the Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. 2019-2022 period	Independent Commissioner	Economic
Rudi Purwono	Member		Independent Commissioner	Economic
Candra Fajri Ananda	Member		Independent Commissioner	Economic
Syafrudin	Member		Independent Party	Economic, Accounting

4. Identifying, measuring, monitoring and controlling risks from every aspect of bank business activities in order to prevent the potential occurrence of events that can cause losses/risks.
5. Assess the effectiveness and adequacy of risk management implementation in accordance with the objectives, size and complexity of the Bank's business and the risks it faces.
6. Ensure that the Board of Directors (Management) has actively monitored the implementation of risk management policies and strategies.
7. Carry out the studies and actions needed in the framework of risk management in accordance with the precautionary principle.
8. Reviewing the implementation of risk management.
9. Evaluate the Bank's compliance with the Articles of Association, regulations of the Bank Supervisory Authority and Capital Market, as well as other regulations related to risk management.
10. Prepare guidelines and work rules for the committee (charter) and conduct a review according to the needs of at least 2 (two) years.
11. Carry out other duties and responsibilities given by the Board of Commissioners from time to time Make periodic reports on the activities of the risk monitoring committee and the things that are felt necessary to be a concern of the Board of Commissioners.
12. Make a Self-Assessment regarding the effectiveness of the activities of the risk monitoring committee.
13. Review information regarding the bank, the Bank's work plan and budget, management reports and other information.
14. Analyze risks in the Sharia Business Unit.

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. Obtain input or suggestions from external banking professionals related to the duties of the Risk Monitoring Committee.
3. In conducting its duties, the Risk Monitoring Committee can cooperate with the Risk Management Committee, the Risk Management, and Compliance Group and relevant Work Units.

Profile of the Risk Monitoring Committee

The profile of the Risk Monitoring Committee as of December 31, 2020 is as follows.



Muhammad Mas'ud

Chairman concurrently Member of Risk Monitoring Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Rudi Purwono

Member of Risk Monitoring Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Candra Fajri Ananda

Member of Risk Monitoring Committee



His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.



Syafruddin

Member of Risk Monitoring Committee



Indonesian citizen, domicile in Surabaya. Born in Surabaya on November 21, 1960, 60 years old.



Educational Background

- Bachelor of Economics, University of Dr Soetomo (1991)
- Master of Economic Management, Artha Bodhi Iswara University, Surabaya (2003)



Job History

- Deputy Leader of the Situbondo Branch 200(2001 - 4)
- Senior Auditor for Internal Audit Division (2004-2009)
- Head of Compliance Sub Division (2011-2014)
- Head of Sub Division of Audit (2014)
- Leader of the Accounting Division (2015-2017)



Position Period

2019 - the closing of the 2022 GMS

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
Muhammad Mas'ud	Chairman concurrently Member	<ul style="list-style-type: none"> - Bachelor degree in Public Administration - Master of Management - Doctor (Ph.D) in the field of School of Political and International Studies 	Have work experience in, among others, finance, political science and economics
Rudi Purwono	Member	<ul style="list-style-type: none"> - Bachelor degree in Economics and Development Studies - Master (MSE) in Monetary Economics - Doctorate (Dr) in the field of Monetary Economics 	He has work experience in, among others, finance, research, economics and banking supervision
Candra Fajri Ananda	Member	<ul style="list-style-type: none"> - Bachelor degree in Economics and Development Studies - Master Degree (MSc.) In Rural Development - Doctor Degree (DR) in the field of Rural Development 	Have work experience in, among others, finance, research, international relations, economics and banking supervision
Syafruddin	Member	<ul style="list-style-type: none"> - Bachelor degree in Accounting Economics - Master in Economic Management 	Have work experience, among others, in the banking sector.

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 1 (one) non-Commissioner member from an Independent Party.

Table of Independence of the Risk Monitoring Committee

Independence Aspect	Muhammad Mas'ud	Rudi Purwono	Candra Fajri Ananda	Syafruddin
Has no financial relationship with the Board of Commissioners and Directors	✓	✓	✓	✓
Has no management relationship in the company, its subsidiaries, or affiliated companies	✓	✓	✓	✓

Independence Aspect	Muhammad Mas'ud	Rudi Purwono	Candra Fajri Ananda	Syafruddin
Has no shares ownership relationship in the company	✓	✓	✓	✓
Has no family relations with the Board of Commissioners, Directors, and / or fellow members of the Risk Monitoring Committee	✓	✓	✓	✓
Has no service as a manager of political parties, officials and government	✓	✓	✓	✓

Risk Monitoring Committee Meeting

The Risk Monitoring Committee holds meetings as needed and is held periodically or at least 1 (one) time in 3 (three) months. Risk Monitoring Committee meetings can only be held if attended by at least 51% (fifty one percent) of the total committee members including 1 (one) Independent Commissioner and 1 (one) Independent Party.

MEETING AGENDA OF RISK MONITORING COMMITTEE

Throughout 2020, the implementation date, agenda and Participants of the Risk Monitoring Committee meeting are as follows.

Table of Risk Monitoring Committee Meeting Agenda

No.	Meeting Date	Meeting Agenda	Meeting Participant	Attendance Percentage
1	February 07, 2020	Discussion on Evaluation of Risk Profiles and Implementation of Risk Management in Credit Activities in 2019.	- Muhammad Mas'ud - Rudi Purwono - Syafruddin	75%
2	June 12, 2020	Discussion on Performance Evaluation up to April/ May 2020 and the Impact of Covid-19 Risk (Credit Risk, Liquidity Risk and Strategic) on Bank Jatim.	- Muhammad Mas'ud - Rudi Purwono - Candra Fajri Ananda - Syafruddin	100%
3	July 10, 2020	Request for Approval from the Board of Commissioners for Sharia Factoring Financing to Related Parties.	- Muhammad Mas'ud - Rudi Purwono - Candra Fajri Ananda - Syafruddin	100%
4	August 12, 2020	Performance Evaluation of the RBB until June and July 2020 (DPK, Credit & Credit Relaxation and Profitability Level) and the Impact of Covid-19 (Liquidity Risk, Credit Risk and Operational Risk for Bank Jatim).	- Muhammad Mas'ud - Rudi Purwono - Syafruddin	75%
5	November 24, 2020	Discussion on the Evaluation of Risk Management Implementation Monitoring up to September 2020.	- Muhammad Mas'ud - Rudi Purwono - Candra Fajri Ananda - Syafruddin	100%

FREQUENCY AND ATTENDANCE PRESENTAGE OF RISK MONITORING COMMITTEE MEETING

During 2020, the Risk Monitoring Committee conducted 5 (five) meetings. The frequency and level of attendance of each member of the Risk Monitoring Committee is as follows.

Table of Attendance of Risk Monitoring Committee Meetings

Name	Position	Risk Monitoring Committee Meetings		
		Number and Attendance Percentage		
		Number of Meetings	Number of Attendances	Percentage
Muhammad Mas'ud	Chairman concurrently Member	5	5	100%
Rudi Purwono	Member	5	5	100%
Candra Fajri Ananda	Member	5	4	80%
Syafruddin	Member	5	5	100%

Risk Monitoring Committee Income

No	Description	Non-Commissioner Members
1	Salary/Honorarium	Receive an honorarium of 14% of the President Director's salary
2	Retirement Compensation	Not Given
3	Holiday allowance	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank
4	Bonus/bonus	In accordance with the applicable regulations for permanent bank employees
5	Facilities:	
	a. Transportation Allowance	Not Given
	b. Health	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank
	c. Business trips	In accordance with the provisions applicable to the Board of Commissioners or Permanent Employees of the Bank

Brief Report on the Implementation of Risk Monitoring Committee Activities In 2020

- Evaluating and Discussing in Meetings and Delivering Notes on the provision of opinions and suggestions to management which is carried out every quarter related to:
 - Evaluation of the Risk Profile of Conventional Bank Jatim and Sharia Units.
 - Evaluation of the suitability of risk management policies with the implementation of Bank policies.
- Coordination Meetings with Related Divisions and Visit to Branches in the framework of monitoring:
 - Implementation of risk management in work units and branch offices.
 - Monitor and evaluate the adequacy of the process of identification, measurement, monitoring, control of Risk Management in both head office and branch offices
- Evaluate the work implementation of the SKMR/Corporate Risk Management Division and the Risk Management Committee (KOMENKO) work implementation whether it is in accordance with the POJK. NO 18/POJK.03/2016.
- Evaluation and Opinion on Large Exposure Loans and Board of Commissioners Approval on Related Party Loans.
- Coordination with the Audit Committee in order to monitor and evaluate TKB and Compliance Function.

Procedures For Replacement of Committees Under the Board of Commissioners

The procedures for replacing Committee members under the Board of Commissioners from an Independent Party are described in the following table.

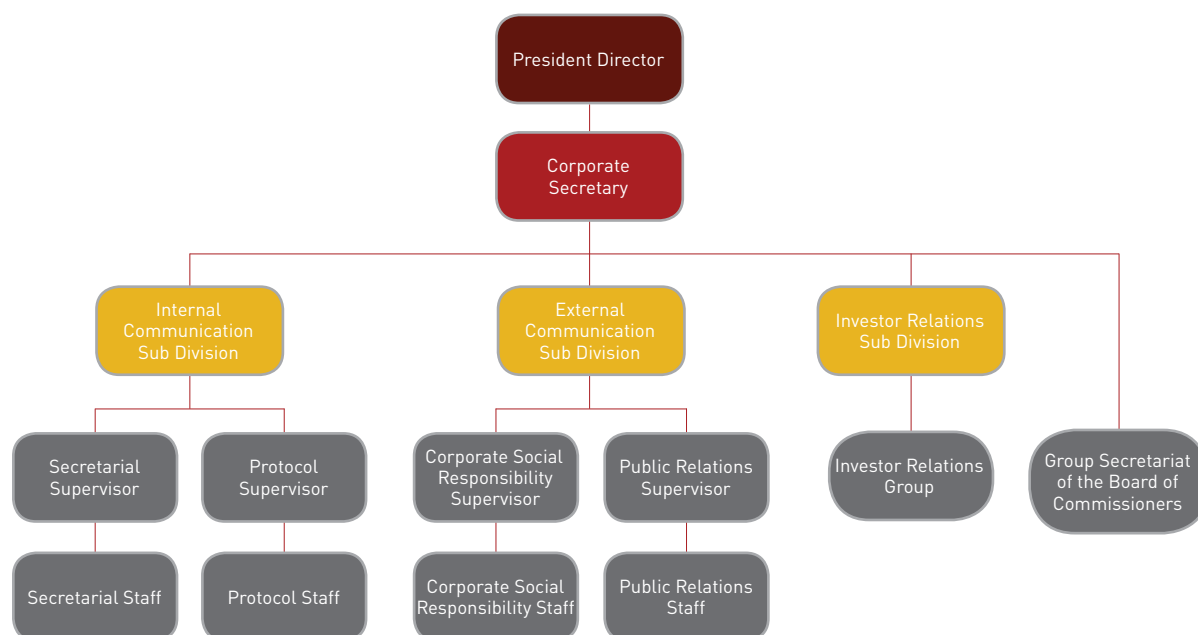
No	Stages	Information
1	Collection of Requirements Documents	The process of collecting internal/external rules related to the requirements for the nomination of members of the Board of Commissioners Committee.
2	Coordinating with the Human Capital Division	To prepare the facilities and infrastructure for the process of selecting candidate members of the Board of Commissioners Committee.
3	Technical Proposals for the Implementation of Selection of Committee members	The technical implementation of the selection of members of the Board of Commissioners Committee can be carried out openly/closed.
4	Implementation of the selection process/assessment of Candidate Members of the Audit Committee	The selection/assessment of candidate members of the Board of Commissioners Committee is in accordance with the stipulated requirements (carried out by the Remuneration and Nomination Committee together with the HC Division).
5	Submission of Assessment Results	<p>The results of the assessment/assessment of candidate members of the Board of Commissioners Committee which have been carried out by the Remuneration and Nomination Committee together with the Human Capital Division and/or by a 3rd party, are submitted to the Board of Commissioners through the Board of Directors for further evaluation by the Board of Commissioners.</p> <p>The results of the assessment/assessment based on predetermined criteria are set forth in the minutes of meeting.</p>
6	Final Evaluation Process	The Board of Commissioners will hold a Meeting to evaluate the results of the assessment/assessment that has been carried out by the Remuneration and Nomination Committee together with the Human Capital Division and/or by 3rd parties.
7	Issuance of Decree on the Appointment of Audit Committee Members	The Board of Commissioners submits the names of the selected candidates to the Board of Directors and the Board of Directors can then issue a Decree (SK) to appoint members of the Board of Commissioners Committee.

Organ and Committee Under the Board of Directors

In carrying out its duties, the Board of Directors is assisted by units under the Board of Directors and Committees 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 Internal Communication Sub-Division, External Communication Sub-Division, and Investor Relations Sub-Division.

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



Glemboh Priambodo Corporate Secretary



Indonesian citizen, domicile in Surabaya. Born in Malang on March 15, 1970, 50 years old.



Educational Background

- S1 (Law) from the University of Surabaya (UBAYA),
- Master (Law) from 17 August University Surabaya (UNTAG)
- S2 (Management) from STIE ABIE Surabaya.



Position history

Joined Bank Jatim in 1997. Prior to his current position.

He has served as:

- Senior Analyst, External Communication Sub Division (2015),
- Senior Analyst, Priority Banking Sub Division (2015),
- Acting. Branch Manager Dr. Soetomo (2016), and
- Branch Manager Dr. Soetomo (2017).



Appointment Basics

Decree of the Board of Directors Number 057/384/DIR/HCT/KEP dated December 27, 2018.

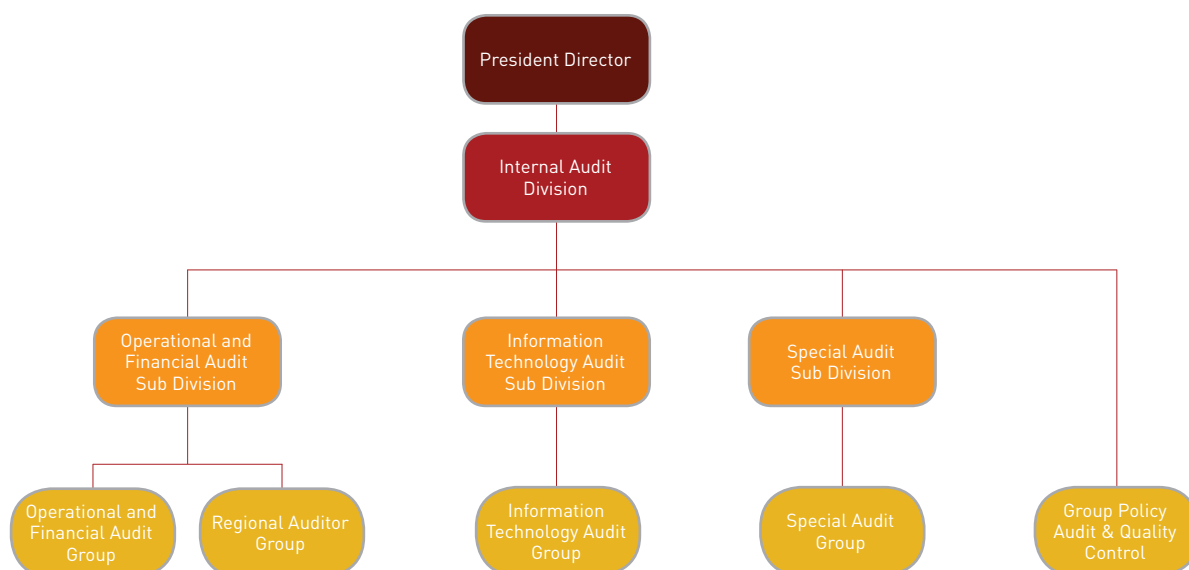
Implementation of Corporate Secretary Assignments In 2020

In 2020, the Corporate Secretary has carried out his duties and responsibilities in accordance with the functions carried as follows:

1. Convened an Annual GMS for Fiscal Year 2019 on April 24, 2020 and Extraordinary GMS on July 23, 2020. 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. Conducting a Public Expose Live 2020 in collaboration with the Indonesia Stock Exchange on December 17, 2020, this activity is broadcast live through the Microsoft Teams application.
4. 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.
5. Submitted periodic reports and incidental reports to regulators in accordance with applicable regulations.
6. Submitted information disclosure in accordance with applicable regulations.
7. 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.
8. Administered, distributed and followed up on incoming and outgoing mail.
9. Organized media gatherings 2 times by inviting leading media with offices in East Java.

Internal Audit Division

Organizational Structure of the Internal Audit Division



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. 058/203/DIR/AUI/KEP dated 1 August 2019 concerning the Internal Audit Charter for the East Java Regional Development Bank.
3. Directors Decree No. 058/158/DIR/PRS/KEP, dated 17 August 2019 concerning the Organizational Structure and Work Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk.
4. Directors Decree No. 059/139/DIR/AUI/KEP dated 3 August 2020 concerning Guidelines for the Implementation of Internal Audit of PT Bank Pembangunan Daerah Jawa Timur, Tbk.
5. Directors Decree No. 050/119/KEP/DIR/AI dated 29 June 2012 concerning Guidelines for the Implementation of the Anti-Fraud Strategy of PT Bank Pembangunan Daerah Jawa Timur.
6. Directors Decree No. 058/234 / DIR / AUI / KEP dated August 26, 2019 concerning Guidelines for the Implementation of Information Technology Internal Audit 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 August 1, 2019 compiled based on POJK Number 01/POJK.03/2019 dated January 28, 2019 concerning the Obligations of Commercial Banks to Implement Standards for the Implementation of the Bank Internal Audit Function (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.

Internal Audit Division Leader Profile



Eko Tri Prasetyo Audit Division Leader Profile



Indonesian citizen, domicile in Surabaya. Born in Surabaya on July 29, 1981, 39 years old.



Educational Background

- Bachelor Degree in Informatics Engineering Department, Telkom College of Technology, Bandung in 2003
- Master of Information Technology, University of Indonesia, Jakarta in 2006



Position History

- Career at Bank Jatim since March 2012 and served as Head of the IT Audit Sub Division until October 2017.
- He began serving as Acting. Head of the Internal Audit Division based on the Decree of the Board of Directors No. 056/145 / DIR / SDM / SK dated 7 August 2017.
- Currently, he is the Head of the Internal Audit Division based on the Decree of the Board of Directors No. 057/384 / DIR / HCT / KEP dated 27 December 2018.



Internal Audit Certification

1. Certified Internal Auditor (CIA) Training - Certification Preparation Program - The Institute of Internal Auditors Indonesia, 2019.
2. Risk Management Certification Level 4 - Risk Management Certification Body, 2017.
3. Certification "Certified Bank Internal Audit (CBIA)" - Banking Professional Certification Institute, 2017.
4. Government Procurement Certification of Goods / Services - Government Procurement Policy Agency, 2013.
5. Risk Management Certification Level 3 - Risk Management Certification Body, 2013.
6. Risk Management Certification Level 2 - Risk Management Certification Body, 2013.
7. CISA (Certified Information System Auditor) Certification - ISACA, 2012.
8. Risk Management Certification Level 1 - Risk Management Certification Body, 2012.



Training

Has attended several trainings and workshops in his career in banking, including:

1. Productive Credit Check, 2020.
2. Workshop IT Infrastructure Library & Exam Certification - Leinad Agains, 2019.
3. Investigations for Bank Employees - Leinad Agains and BARESKRIM, 2019
4. Integrated GRC (Governance, Risk & Compliance) & Financial Crime Conference - Asia Anti Fraud, 2019.
5. Workshop on Digital Bank 4.0 Transformation Strategy, Leadership and Implementation & Management of Cybersecurity, Risk and Control for Digital Bank 4.0 - Buce Darmawan, 2019.
6. Workshop on Fraud Prevention and Detection: Forensic Data Analytics Approach - Association of Certified Fraud Examiners ACFE, 2019.
7. Workshop IFRS 9 (PSAK 71) "Expected Credit Loss, Capital Impact, Forward Looking Adjustment, Write Off" Consumer Banking School, 2018.

8. National Conference of Bank Internal Auditor Association (IAIB) "Fostering An Innovative Internal Auditing As a Key Element In Innovative Banking", 2018.
9. National Internal Audit Seminar "The Auditor of The Future: Trusted & Influencing Advisor. Maintaining Cultural Values, Trustworthy, and With a Future Viewer", 2018.
10. Sharing Vision "Digital Banking 2018" Seminar, 2018.
11. Workshop on "Study & Academic Development of Organizational Structure" Indonesian Bankers Association (IBI), 2017.
12. "Competency Based Interview" Training - Karmacon Management Consultant, 2017.
13. National Conference VIII of the Bank Internal Auditor Association (IAIB) - Bank Internal Auditor Association, 2016.
14. Training on "Best Practice Methods for Measuring and Managing Risk" - Trinita Solusi Kreatifindo, 2015.
15. Training "Practical Penetration Testing, Concept and Techniques (SAA-118)" - Andalan Nusantara Teknologi, 2015.
16. Training on "Toll Road Financing Investment Credit Analysis" - Institute of Banking and Finance, 2015.
17. Workshop "The Potential of Corruption in Banking Operations with Bareskrim & OJK" - Swadharma Learning Center, 2015.
18. Training "IBM I-Series (AS 400) System Admin and Control (GSSAC)" - Gunatronkatama Cipta Information Systems, 2015;
19. Training "Branchless Banking & E-Money" - Sharing Vision, 2014.
20. IT-Based Banking Crime FGD - Financial Services Authority, 2014.
21. Training "Audit / Assessment of IT Governance & ITSM Based on COBIT & ISO 20000 Using ISO 15504" - Transforma Research & Solution, 2013.



Basic Appointment

Decree of the Board of Directors Number 057/384/DIR/HCT/KEP dated December 27, 2018.

The Party That Appoints and Dismisses the Head of Internal Audit Division

The Head of the Internal Audit Division is appointed and dismissed by the President Director with the approval of the Board of Commissioners 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 which was established on August 1, 2019.

The Internal Audit Charter is prepared based on.

1. Financial Services Authority Regulation No. 56/POJK.04/2015 concerning the Formation and Guidelines for the Preparation of Internal Audit Charter.
2. Financial Services Authority Regulation Number 1/POJK.03/2019 Concerning the Implementation of the Internal Audit Function at Commercial Banks.

The Internal Audit Charter was created to provide an overview/guideline related to the Vision, Mission, and functions of the Position in the Organization, Scope, Authority and Responsibility, Statement of Independence, Internal Audit Activities & Investigation and Reporting.

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. Carry out steps in order to dig up information (investigation), report, and submit recommendations/conclusions on fraud to Management.
3. Provide recommendations on audit results and monitor follow-up on the results of Internal Audit activities and investigative activities.

In the context of carrying out its functions as an Integrated Internal Audit Unit, the duties and responsibilities of the Internal Audit Division refer to the Integrated Governance Guidelines, namely:

- a. Monitor the implementation of Internal Audit in related companies in financial conglomerates.
- b. Delivering an integrated Internal Audit report to the President Director as one form of oversight function of the company involved in the financial conglomerate.

Authority of the Internal Audit Division

The Internal Audit Division has the authority to:

- Conducting Internal Audit activities on the activities of all work units in the Bank organization as well as offsite related company audits.
- Communicating directly with the President Director, the Board of Commissioners, and/or the Audit Committee.
- Communicating with external parties including regulators.
- Accessing all information, employees and including but not limited to accounts/records of employee resources and funds and other Bank assets related to the audit.
- 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

Based on the Decree of the Board of Directors No. 058/158/DIR/PRS/KEP dated June 17, 2019 concerning Organizational Structure and Work Procedures, the Internal Audit Division consists of a Division Leader who oversees 3 (three) Sub Division Leaders and the Audit & Quality Control Policy Group under the direct coordination of the Head of the Audit Division internal. The personnel composition of the Internal Audit Division is as follows.

Table of Internal Audit Division Personnel Composition

Position	Jumlah
Junior Auditor	38
Auditor	14
Senior Auditor	7
Head of Sub Division of Audit	3
Head of the Internal Audit Division	1
Total	63

Internal Audit Division Personnel Certification

Certifications that have been held by the Auditor include:

Certification	Jumlah
BSMR Level 1	47
BSMR Level 2	24
BSMR Level 3	9
BSMR Level 4	1
BSMR Level 5	0
CISA	2
IT-IL V3	4
CEH	1
Procurement of Goods & Services	2
Tre Dealer	2

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.

- 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.
- Internal Auditors are able to express their views and thoughts without influence or pressure from any other party.
- The Internal Audit Division has the freedom to determine the audit methods, scope, methods, techniques and approaches to be carried out.
- In managing Internal Audit Division personnel, with the approval of the President Director and Head of the Internal Audit Division.

Objectivity

- 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.
- 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:

- 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 2020

INTERNAL AUDIT WORK PROGRAM

General Audit

By considering the existing auditor personnel, while the office network is increasing and the complexity of the problems is getting higher, so that the audit can be carried out effectively, examinations are carried out both on-site and off-site.

Special Examination (Advanced Examination)

If during a general examination, irregularities, fraud is found or there are problems that require a more in-depth examination, the Head of the Internal Audit Division will form and assign a team to conduct clarification/more specific examinations on the problems that indicate such deviations.

On-site inspection carried out by the Auditor at the Branch and the Head Office Team/Korwil Team to the Branches using the Risk Based Audit method, namely prioritizing Branches/Work Units/Bank Functional Activities/Financial Transactions which have high inherent risk and a weak risk control system.

All audit activities are directed to conform to the purpose of the examination as set out in the introduction above. However, each Branch has a different emphasis and focus.

Off-Site Inspection the Head Office and Regional Auditors emphasize more on:

1. Monitoring and identification of risk profiles of Branches and Divisions at Head Office, assessment and performance analysis of Branches and Divisions at Head Office.
2. Helping to improve the effectiveness and efficiency of the Internal Audit function, among others, to coordinate well with regional auditors, create synergies and avoid overlapping between the functions of the Regional Auditors and the Head Office, as well as a monitoring tool for the Regional Auditor's performance.

Examination Conducted by the Regional Auditor

To facilitate Branch monitoring, the division of audit areas is still divided into 7 Audit working areas (Class 1 Branch, Sharia Branch, and 2 Special Branches, namely Jakarta and Batam Branch) in which there are Senior Auditors, Auditors and/or Junior Auditors. Especially for the Jakarta and Batam Branch, each must be filled with a minimum of a Junior Auditor.

Branch Auditor Examinations are divided into 2 (two) types of examinations, namely daily examinations and spot checks

The audit conducted by the Regional Auditor emphasizes more on:

1. Routine inspection, ensuring that financial transactions, records and accounting processes are carried out fairly and can be trusted to be true in accordance with applicable regulations.
2. Periodic inspection, ensuring that the bank's operational activities are carried out in accordance with the applicable system of procedures and regulations.
3. Sudden inspection, this examination is carried out on the basis of sudden orders via Fax Memorandum from the Head Office of the Internal Audit Division for certain branches under certain conditions.
4. Identification and early detection of possible unhealthy practices and allegations of fraud.

Audit by the Head Office Auditor

1. **Passive/Off-Site Checking**
This examination is carried out by the Head Office Auditor by observing, researching and analyzing the bank's operational activities and the performance of the Branches as well as the performance of the Divisions at the Head Office.
2. **On-Site Inspection**
On-Site Inspection is a Risk Based Audit conducted by the Head Office Audit Team at Branch Offices and Work Units/Divisions at the Head Office
3. **Surprised Audit**
Surprise Audit (unannounced check) is carried out without prior notification to the auditee, with an irregular schedule. In 2020 a surprised audit will be scheduled if there are current issues at that time. It aims to encourage officers to carry out their duties in accordance with predetermined rules.

Head Office Audit emphasizes more on:

1. Ensure that the internal control system related to the implementation of bank operations, especially the application of risk management, the implementation of Good Corporate Governance in achieving the targets set by the Management is effective and safe.
2. Ensure that the bank's operational activities (including risk control and achievement of the Bank's marketing targets) are in accordance with applicable regulations, and can be accounted for, including assessing the quality of performance, the extent to which the goals and objectives of the organization have been achieved.

Information Systems Technology Audit

Audit Objectives

1. Provide assurance on the safety of bank assets by minimizing the risk arising from the use of information technology.

2. Provide confidence in the security, reliability, availability and integrity of data/information as well as the efficiency and effectiveness of the use of information technology in data management.
3. Make a positive contribution to improving employee compliance and discipline with computer operating procedures and systems used, data/information security and maintenance procedures.
4. Assist the bank in increasing the effectiveness and results of the use of information technology in the Bank Jatim environment.
5. Assist the bank in achieving organizational goals by utilizing and developing optimal information technology.

TSI Audit Objectives

- a. Control of System Development and Documentation
- b. Application Control
- c. Control of the Information Technology environment
- d. Organizational Control and Management
- e. Information Technology/Computer Operations Control

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 a qualitative and quantitative method approach.

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 2020

Audit activities in 2020 are in accordance with the Internal Audit Division Audit Work Plan for 2020 No. 059/001/AUI/AUDITPLAN dated 16 January 2020 and Approval of Changes to the 2020 Audit Plan due to the Covid-19 Pandemic No. 059/117/DK/Nota dated 24 August 2020. General audits have been carried out in 21 Branches and 15 Divisions.

Realization of General Audit in 2020

General Audits to the branches have been carried out but are not according to the original plan due to the Covid-19 pandemic. Initially it was scheduled to carry out inspections on 30 (thirty) Branches, which changed to 24 (twenty four) Branches, while for the examination of the Division there was no significant change.

Realization of Off-Site Monitoring in 2020

In 2020, the Internal Audit Division has carried out offsite monitoring of the Divisions in 2020, the Internal Audit Division has carried out offsite monitoring of the Divisions at the Head Office

Realization of In-Depth Audit/Advanced Examination in 2020

In-depth/follow-up examinations of the branch/division being examined were realized as many as 21 (twenty one) examinations.

Realization of IT Audit in 2020

Inspection of Information Technology activities has been carried out by the Information Technology Internal Auditor in their assignments, both at the Head Office, namely the IT Division as well as the IT Service Providers.

In its implementation, there are planned inspections and inspections that are mandatory as an assessment of new products as well as examinations in the form of reviews of products that have been operational, as fulfillment of POJK No. 38/POJK.03/2016 dated December 7, 2016, SEOJK Number 21/POJK.03/2017 dated June 6, 2017 concerning the Application of Risk Management in the Use of Information Technology by Commercial Banks.

Passive/Off-Site Inspection 2020

The 2020 Passive/Off-Site Audit is carried out regularly on the Business and Non-Business Divisions that have issues or indicate weaknesses. The off-site inspection of the division is carried out to reduce potential losses and mitigate risks early.

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 follow-up 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 follow-up 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 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 3 months of no follow-up progress, follow-up monitoring is submitted to the Compliance and Governance Division, and the Compliance and Governance Division periodically coordinates with the Auditee regarding the follow-up development of findings by inviting the Internal Audit Division.

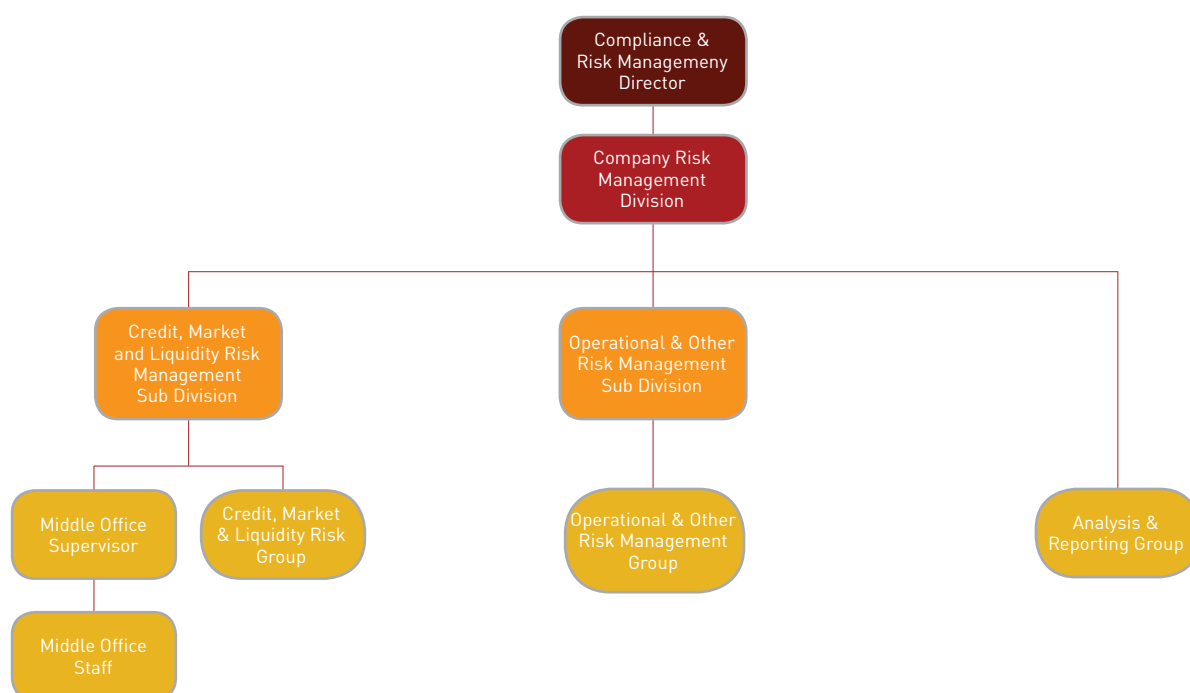
The number of findings and those that have been followed up during 2020 are as follows.

Information	Number of Findings
Finding Status	5.429
Has been followed up	4.367
Has not been followed up	1.062

Company Risk Management Division

Structure of Company 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 Company Risk Management Division

The duties and responsibilities of the Company's Risk Management Division are as follows:

- Conduct a review and evaluation of risk assessment and mitigation of:
 - New and existing activities/products.
 - Bank risk profile.
- Conduct a review on the determination of limits Risk, Bank Business Activities and Bank Operational Activities, namely:
 - Bankwide Review of Risk Limit Determination (Risk Appetite, Risk Tolerance and Risk Limit).
 - Review on Determination of Bank Business Activity Limits.
 - Review on Determination of Operational Activity Limits.
- Monitor and control risks related to treasury transactions.
- Conduct reviews and provide recommendations on policies, new and existing standard operating procedures (SOPs) to the risk taking unit to improve business processes and adjust to regulatory requirements.
- Ensure the coordination, management and review of reports to external and internal parties.

Profile of the Leader of Corporate Risk Management Division

The leader of the Company's Risk Management Division in 2020 is Mr. Nur Eko Ardian



Nur Eko Ardian

Leader Risk Management Division



Indonesian citizen, domicile in Simpang Darmo Permai Selatan. Born in Surabaya on February 28, 1980, 40 years old.



Educational Background

- S1 State Administration Study Program, Wijaya Putra University (2003).
- Master of Public Administration Study Program (2005)



Position history

- Leader of the Enterprise Risk Management Division (2019 - 2020f)
- Head of Human Capital Division (2018 - 2019)
- Head of Compliance & Governance Division (2017 - 2018)
- Kepanjen Branch Manager (2015 - 2017)



Certification

- BSMR Level 4 Certification
- Certified Human Resources Executive Program



Appointment Basics

Head of the Company's Risk Management Division in accordance with Decree No. 058/225 / DIR / HCP / KEP dated August 12, 2019.

Risk Management Competency Development

The competency development that has been followed by employees of the Company's Risk Management Division during 2020 is as follows.

No.	Name of Education and Competency Development	Execution time
1	East Java Rating System Compilation Workshop	February 2020
2	Online Training "IT Cyber Security Amid the Covid-19 Pandemic"	May 2020
3	Online Training "Workshop on Credit Risk Mitigation and Restructuring through Guarantee"	June 2020
4	Online Training "Cyber Crime & Digital Signature"	June 2020
5	Online Training " Mengenal Teknik & Strategi Digital Banking yang mengubah Peta Perbankan Indonesia"	July 2020
6	Online Training "Cyber Resilience & New Normal Risks and Cyber Security Strategies in dealing with the new normal"	July 2020
7	Online Training "Custodian Bank Risk Management"	November 2020
8	Online Training "Building the Resilience of a company"	November 2020

Risk Management Certification

No	Certification	Position	Total
1	Level 5 Risk Management Certification	Directors	5
		Division Leader	4
2	Level 5 Risk Management Certification	Division Leader, Picab. Main	16
		Sub Division Leader and Branch Leader	46
		Senior Officer, Sub Branch Leader & PBO	3

No	Certification	Position	Total
3	Level 3 Risk Management Certification	Division Leader	1
		Sub Division Leader & PC	48
		Senior Analyst, Equal Sub-Branch Leader	264
		Level Supervisor	3
		Staff	2
4	Level 2 Risk Management Certification	Board of Commissioners	5
		Sub-Branch Leader, Senior Officer	2
		Level Supervisor	716
		Staff	10
5	Level 1 Risk Management Certification	Level Supervisor	57
		Staff	318

Implementation of Duties of the Corporate Risk Management Division In 2020

During 2020, the Company's Risk Management Division has carried out its duties and responsibilities, including:

1. Ensure that risk management policies and procedures are adequate and that the implementation of risk management is in accordance with the prevailing policies and procedures.
2. Develop and monitor overall risk management and report on risks faced by the Bank through the Risk Management Committee on a regular basis.
3. Develop a Risk Management Information System (Si Marko) application, all information and risk monitoring can be accessed through the application.
4. Management is committed to maintaining the achievement of the Bank Soundness Level score at a composite rating of 2 (two), which includes an assessment of the Bank's Risk Profile with a risk predicate "low to moderate".
5. Commit to increasing participation in realizing the achievement of the 2020 Bank Business Plan.

Committee Under the Board of Directors

Provisions related to the Board of Directors Committee of Bank Jatim are stipulated based on the Decree of the Board of Directors Number 057/299/DIR/CSE/KEP dated October 1, 2018 concerning the Guidelines for the Directors Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. Regarding the change in the Organizational Structure and Work Procedures as stated in the Decree of the Board of 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 Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk. then the Guidelines for the Board of Directors Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. in 2020 it is in the process of updating by taking into account the Circular of the Board of Directors Number 059/029/DIR/PRS/SE dated December 01, 2020 regarding the Extension of the Transitional Period for the Implementation of the Organizational Structure, which stipulates that the Transitional Period of the Organizational Structure ends with an extension of the transition period until January 1, 2021 Especially for the Integrated Risk Management Committee, it was determined based on the Decree of the Board of Directors number 053/306/KEP/DIR/MR dated December 31, 2015 concerning the Establishment of the Integrated Risk Management Committee (KMRT). Thus, the Board of Directors Committee of Bank Jatim in 2020 is as follows:

1. Asset Liability Committee (ALCO)
2. Risk Management Committee
3. Employment Committee
4. Information Technology Steering Committee (ITSC)
5. Credit Committee
 - a. Conventional Credit Committee
 - Credit Implementation Committee
 - Credit Rescue Committee
 - Credit Settlement Committee
 - b. Financing Committee
 - Financing Implementation Committee
 - Financing Rescue Committee
 - Financing Settlement Committee
6. Credit Policy Committee
 - Conventional Credit Policy Committee
 - Financing Policy Committee

7. Product, Network, and Procedure Committee
 - PJP Committee for Product
 - PJP Committee for Network
 - PJP Committee for Prosedure
8. Integrated Risk Management Committee

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 AND LIABILITIES COMMITTEE

Head of Committee	President Director
Interim Head of Committee	Finance Director
Secretary	Head of Treasury Division
Permanent Members	<ul style="list-style-type: none"> - Corporate Medium Director - Retail Consumer and Sharia Business Director - Risk Business Director - IT and Operations Director - Compliance and Risk Management Director - All Division Heads and those of the level of Division Heads other than invitees
Invitee	<ul style="list-style-type: none"> - Head of the Internal Audit Division - Head of Compliance & Governance Division - Head of the Legal Division - Internal and external resource persons (for example: Branches, Consultants)

DUTIES, AUTHORITY, AND RESPONSIBILITIES OF ASSET LIABILITY COMMITTEE (ALCO)

ALCO has duties, authorities and responsibilities, including:

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. 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.
7. Review and determine the position strategy of the Primary Reserve, Secondary Reserve and Tertiary Reserve.
8. Review and determine the gap position strategy and its instruments.
9. Review and define strategies for foreign exchange positions and currencies.
10. Determine the internal funds transfer rate or inter-office account prices to boost efficiency in branch management.
11. 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.
12. 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.

IMPLEMENTATION OF DUTIES ASSET LIABILITY COMMITTEE (ALCO)

No	Date	Agenda	Initiator Division	Number of Agenda	ALCO Results	Attendance Quorum
1	January 10, 2020	1 Credit Interest Rate Review	Credit Division	3	Approved in the ALCO Meeting	84%
		2 Pricing ATM cash withdrawal fees	Service Fund & E-Banking Division		Approved in the ALCO Meeting	
		3 Sharia service pricing pricing	UUS		Approved in the ALCO Meeting	
2	February 27, 2020	1 Credit Interest Rate Review	Credit Division and SQA Division	3	Approved in the ALCO Meeting	84%
		2 Rupiah DPK pricing strategy for Sharia products	UUS		Approved in the ALCO Meeting	
		3 Proposed QRIS and JatimPay products	Product Development Division		Approved in the ALCO Meeting	
3	March 4, 2020	1 Review prime lending rate and profit margin 2020	Treasury Division	5	Approved in the ALCO Meeting	84%
		2 Review of Credit Interest Rates and Covid-19 stimulus	Credit Division		Approved in the ALCO Meeting	
		3 Restructuring Sharia Financing pricing (Covid-19 Stimulus)	UUS		Approved in the ALCO Meeting	
		4 ATM and Mobile Banking transaction limits	Product Development Division		Approved in the ALCO Meeting	
		5 Review of Foreign Currency Remittance Rates	International Banking Division		Approved in the ALCO Meeting	
4	April 20, 2020	1 The Covid-19 Stimulus of Sharia Financing	UUS	2	Approved in the ALCO Meeting	84%
		2 Credit Interest Rate Review	Credit Division		Approved in the ALCO Meeting	
5	May 13, 2020	1 Pricing strategy for TPF and Sharia Financing products (Covid-19 Stimulus)	UUS	2	Approved in the ALCO Meeting	84%
		2 DPK product pricing strategy	Service Fund & E-Banking Division		Approved in the ALCO Meeting	
6	June 17, 2020	1 Credit Interest Rate Review	Credit Division	3	Approved in the ALCO Meeting	84%
		2 Review of Rupiah DPK Interest Rates	Service Fund & E-Banking Division		Approved in the ALCO Meeting	
		3 Completion of the Covid-19 stimulus pricing	UUS		Approved in the ALCO Meeting	
7	July 21, 2020	1 Plans for launching new credit products	Credit Division	3	Approved in the ALCO Meeting	84%
		2 Sharia financing profit sharing review	UUS		Approved in the ALCO Meeting	
		3 Rate negotiation authority	Service Fund & E-Banking Division		Approved in the ALCO Meeting	
8	August 3, 2020	1 Credit Interest Rate Review	Credit Division	3	Approved in the ALCO Meeting	84%
		2 Review of pricing for Sharia financing products	UUS		Approved in the ALCO Meeting	
		3 Proposed program with prizes for Priority products	Division of Institutional Relations		Approved in the ALCO Meeting	

No	Date	Agenda	Initiator Division	Number of Agenda	ALCO Results	Attendance Quorum
9	August 28, 2020	1 Review of Consumer Credit Interest Rates	Credit Division	2	Approved in the ALCO Meeting	84%
		2 Sharia financing margin review	UUS		Approved in the ALCO Meeting	
10	September 10, 2020	1 Review of pricing for Sharia financing products	UUS	3	Approved in the ALCO Meeting	84%
		2 Review of Laku Pandai pricing	Product Development Division		Approved in the ALCO Meeting	
		3 Review of Credit Interest Rates (PEN Program - Covid-19 Stimulus)	Credit Division		Approved in the ALCO Meeting	
11	October 13, 2020	1 Review of Sharia DPK product pricing	UUS	5	Approved in the ALCO Meeting	84%
		2 Review of Rupiah DPK Interest Rates	Service Fund & E-Banking Division		Approved in the ALCO Meeting	
		3 Review pricing remittance transactions	International Banking Division		Approved in the ALCO Meeting	
		4 Review of ATM and Digital Banking Payment Limits	Product Development Division		Approved in the ALCO Meeting	
		5 Credit Interest Rate Review	Credit Division		Approved in the ALCO Meeting	
12	November 25 and 26, 2020	1 Credit Interest Rate Review	Credit Division	3	Approved in the ALCO Meeting	70%
		2 RTGS Cost Review	Operations Division		Approved in the ALCO Meeting	
		3 Term Loan Facility Interest Rate	Treasury Division		Approved in the ALCO Meeting	
13	December 17, 2020	Review of Rupiah DPK Interest Rates	Service Fund & E-Banking Division	1	Approved in the ALCO Meeting	70%
14	December 30, 2020	1 Review of Credit Interest Rates and their prize programs	Credit Division	2	Approved in the ALCO Meeting	70%
		2 Review of the Authority for Negotiating the Deposit Rate	Service Fund & E-Banking Division		Approved in the ALCO Meeting	

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.

Head of Committee	President Director
Interim Head of Committee	Compliance and Risk Management Director
Secretary	Head of Corporate Risk Management Division
Permanent Members	All Members of Board of Directors
Non Permanent Members	Related Division Heads

DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee is tasked with:

1. Formulating policies and strategies for implementing risk management.
2. Delivering Bank soundness level assessment and risk rating measurement.
3. Establishing risk limits, business limits and other operational limits as well as contingency plans in the worst conditions.
4. Determining matters related to business decisions that deviate from normal procedures.

In addition, the Risk Management Committee is authorized and responsible for:

1. Providing recommendations to the President Director in formulating policies and strategies for implementing risk management.
2. Providing recommendations to the President Director in order to improve and perfect risk management implementation based on evaluation results.
3. Providing recommendations to the President Director in order to determine (justification) matters related to business decisions that deviate from normal procedures (irregularities) such as:
 - a. Significant business expansion exceeding decisions compared to the predetermined business plan.
 - b. Taking positions/risk exposures that exceed the predetermined limits.

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.

IMPLEMENTATION OF DUTIES OF THE RISK MANAGEMENT COMMITTEE

During 2020, the Risk Management Committee carried out its duties through conducted meetings. The entire meeting agenda has been approved in the Risk Management Committee meeting. There are 4 (four) meetings held during 2020 with the following agenda:

No	Komenko	Agenda	Material Owner Initiator Division	Total Agenda	Komenko Results	Attendance
1	Komenko #01 March 13, 2020	1. Proposal for Pre-Settlement Limit for Treasury Division Foreign Exchange Transactions	Treasury Division	1	Approved in the Risk Management Committee Meeting	71%
2	Komenko #02 April 30, 2020	1. BPP Update on Risk Management Policy	Corporate Risk Management Division	6	Approved in the Risk Management Committee Meeting	86%
		2. BPP Update on Risk Culture Development			Approved in the Risk Management Committee Meeting	
		3. Update BPP Loss Event Database			Approved in the Risk Management Committee Meeting	
		4. Update BPP Business Continuity Management (BCM)			Approved in the Risk Management Committee Meeting	
		5. BPP Update on Determination of Risk Appetite, Risk Tolerance and Risk Limit			Approved in the Risk Management Committee Meeting	
		6. Results of Self-Assessment of the Bank's Risk profile			Approved in the Risk Management Committee Meeting	
3	Komenko #03 October 06, 2020	1. Proposed Limits on the Authority for Approval of Purchase / Sale of Securities	Treasury Division	5	Approved in the Risk Management Committee Meeting	86%
		2. Proposed Limit Unrealized Loss of Securities Available For Sale			Approved in the Risk Management Committee Meeting	
		3. Proposed Transaction Authority Limit (Treasury Dealer Limit)			Approved in the Risk Management Committee Meeting	
		4. Proposed Stop Limit (Budget) Loss			Approved in the Risk Management Committee Meeting	
		5. Proposed Limit Interest Rate Risk In The Banking Book (IRRBB)			Approved in the Risk Management Committee Meeting	

No	Komenko	Agenda	Material Owner Initiator Division	Total Agenda	Komenko Results	Attendance
4	Komenko #04 November 12, 2020	1. Proposed Limits on Authority for Approval of Term Loan Facility	Treasury Division	7	Approved in the Risk Management Committee Meeting	57%
		2. Review of Limit Settlements on Transactions through ESTIM (Branches and Headquarters)	Corporate Risk Management Division		Approved in the Risk Management Committee Meeting	
		3. Review Limit Approval Transactions through BI-RTGS	Operations Division		Approved in the Risk Management Committee Meeting	
		4. Review Limits for Approval and Payment of Goods / Services Procurement and Non-Product Costs	General Division		Approved in the Risk Management Committee Meeting	
		5. Review Limits on the Approval of Sales / Auction for Fixed Assets and Inventory			Approved in the Risk Management Committee Meeting	
		6. Limit Review of Fixed Assets and Inventory Placed on Other Parties			Approved in the Risk Management Committee Meeting	
		7. Petty Cash Limit Review			Approved in the Risk Management Committee Meeting	

Employment Committee

The Employment Committee is established to obtain optimal results in determining critical matters in Human Capital field both in the strategy, policy, and management system of Human Capital aligned with the Bank's Business Plan.

STRUCTURE AND MEMBERSHIP OF THE EMPLOYMENT COMMITTEE

Head of Committee	President Director
Permanent Members	Compliance and Risk Management Director
Non Permanent Members	Director of the field related to the discussion material
Secretary	Head of the Human Capital Division

DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE EMPLOYMENT COMMITTEE

The Personnel Management Committee has the duty to:

1. Provide strategic direction regarding the management of Human Capital.
2. Ensure that Human Capital policies consistently aligned with the company's strategic planning.
3. Stipulate on the approval of the proposed implementation of the mutation/promotion program at the level of the Division Leader, Sub Division Leader, and Branch Leader.
4. Evaluate the performance of officials at the level of Division Leaders, Sub Division Leaders and Branch Leaders.
5. Stipulate on approval of proposals for administrative sanctions.
6. Establish and approve the authority delegation to manage Human Capital.

The responsibilities and powers of the Personnel Management Committee are:

1. Establish, decide and ensure the strategic direction, operational management and Human Capital policies are consistent and in line with the company's strategic planning related to employee planning, including:
 - a. Recruitment
 - b. Development and appraisal of employee performance
 - c. Career Management
 - d. Remuneration
 - e. Industrial relations
 - f. Work Culture
2. Ensuring the availability of a qualified workforce and placing them in the right positions.
3. Ensuring the availability of qualified workforce and placing them in appropriate positions. Stipulate on the approval of the proposed implementation of the mutation/promotion program at the level of the Division Leader, Sub Division Leader, and Branch Leader.
4. Decide on the approval of the proposal for administrative sanctions.
5. Determine and approve the delegation of authority to manage Human Capital.

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.

IMPLEMENTATION OF DUTIES OF THE EMPLOYMENT COMMITTEE

No	Employment Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
1	Employment Committee January 06, 2020	KMK Meeting on Filling of Vacant Positions for Executive Officers	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
2	Employment Committee January 07, 2020	KMK Meeting on Filling of Vacant Positions for Executive Officers	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
3	Employment Committee January 19, 2020	KMK Meeting on Filling of Vacant Positions for Executive Officers	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
4	KMK Meeting on PGS and Golden Shake Hand Provisions March 12, 2020	Updates and Improvements Regarding Implementation Guidelines and Directors' Decrees	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
5	KMK Meeting to discuss the imposition of sanctions March 16, 2020	Operational Cost and Conflict of Interest Transactions	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
6	Rapat KMK Laporan Hasil Pemeriksaan April 01, 2020	Credit Procedure Violation and conflict of interest	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
7	KMK Meeting Discussion of Grading System Guidelines related to SO Changes June 09, 2020	<i>Proposed Changes to Improve the Human Capital Management Mechanism</i>	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
8	Employment Committee July 17, 2020	Reward & Punishment System improvements	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
9	KMK Meeting on Abuse of Authority August 26, 2020	Determination of Position Punishment for several problems	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
10	Employment Committee September 25, 2020	KMK Meeting on Filling of Vacant Positions for Executive Officers	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
11	Employment Committee October 05, 2020	KMK Meeting on Filling of Vacant Positions for Executive Officers	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
12	KMK Meeting on Employee Problems November 05, 2020	Operational and credit problems	Human Capital Division	1	Approved in the Employment Committee Meeting	100%
13	Employment Committee November 30, 2020	KMK Meeting on Filling of Vacant Positions for Executive Officers	Human Capital Division	1	Approved in the Employment Committee Meeting	100%

No	Employment Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
14	Employment Committee December 23, 2020	KMK Meeting on Filling of Vacant Positions for Executive Officers	Human Capital Division	1	Approved in the Employment Committee Meeting	100%

Information Technology Steering Committee

The roles and functions of the Information Technology Steering Committee (ITSC) are:

1. 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.
2. 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

Head of Committee	President Director
Interim Head of Committee	IT & Operations Director
Secretary	Head of Information Technology Division
Permanent Members	<ul style="list-style-type: none"> - Finance Director - Compliance & Risk Managemeny Director - Business Risk Director - Consumer, Retail, and Sharia Business Director - Commerce & Corporation Director - Chief Corporate Secretary - All Division Leaders other than:: <ul style="list-style-type: none"> • Head of Corporate Risk Management Division • Head of Compliance and Governance Division • Head of Legal Division • Head of Internal Audit division
Non Permanent Members	<ul style="list-style-type: none"> - Head of Corporate Risk Management Division - Head of Compliance and Governance Division - Head of Legal Division - Head of Internal Audit division
Invitee	<ul style="list-style-type: none"> - Other Bank Jatim internal parties, related to the meeting agenda - Other Bank Jatim external parties, related to the meeting agenda

DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE INFORMATION TECHNOLOGY STEERING COMMITTEE

The duties, authority, and responsibilities of ITSC are to provide recommendations to the Board of Directors on the following matters:

1. IT Strategic Plan that is in line with the strategic plan of the Bank's business activities. In providing recommendations, the committee must pay attention to factors of efficiency, effectiveness, and other matters, namely:
 - a. A road map to achieve IT needs that support the Bank's business strategy. The road map consists of the current state, the future state, and the steps that will be taken to achieve the conditions to be achieved;
 - b. Resources required;
 - c. Benefits that will be obtained when the IT Strategic Plan is implemented; and
 - d. Constraints that may arise in implementing the IT Strategic Plan.
2. Formulation of the main Information Technology policies, standards and procedures, namely Information Technology safeguard policies and risk management related to the use of Information Technology in Banks;
3. Conformity between the approved Information Technology project and the Information Technology Strategic Plan. The Committee also determines the priority status of critical IT projects that have a significant impact on the Bank's operational activities, for example changing core banking applications, production servers, and network topology;
4. The conformity between the implementation of the Information Technology project and the agreed project plan. The Committee must complement its recommendations with the results of analysis of major IT projects to enable the Board of Directors to make decisions efficiently;
5. Conformity between the operation of Information Technology with the needs for management information systems as well as the needs for Bank business activities;

6. The effectiveness of steps in minimizing the risk of the Bank's investment in the Information Technology sector so that the Bank's investment in the Information Technology sector contributes to the achievement of the Bank's business objectives;
7. Monitoring of Information Technology performance and efforts to improve Information Technology performance, for example detecting obsolescence of Information Technology infrastructure, measuring the effectiveness and efficiency of implementing Information Technology security policies;
8. Efforts to resolve various problems related to Information Technology that cannot be resolved by the work units of Information Technology users and administrators in an effective, efficient and timely manner; and
9. Adequacy and allocation of resources owned by the Bank. In the event that the available resources are insufficient and the Bank will use the services of other parties in implementing IT, the IT steering committee must ensure that the Bank has the necessary policies and procedures.

INFORMATION TECHNOLOGY STEERING COMMITTEE MEMBERS 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.

IMPLEMENTATION OF DUTIES OF THE INFORMATION TECHNOLOGY STEERING COMMITTEE

No	Komite ITSC	Agenda	Material Owner Initiator Division	Total Agenda	ITSC Results	Attendance
1	Information Technology Steering Committee #1 December 30, 2020	RSTI ratification 2020-2024	Information Technology Division	1	Approved in the Information Technology Steering Committee	94%

Credit Committee

The Bank's Credit Committee consists of the Conventional Credit Committee and the Financing Credit Committee.

CONVENTIONAL CREDIT COMMITTEE

The Credit Committee is an operational committee established by the Board of Directors to evaluate and/or give credit decisions for the amount and type of credit stipulated by the Board of Directors take into account to business development without disregard the precautionary principle including restructuring and settlement of credit.

The purpose of establishing the Credit Committee is to minimize the risk of non-performing loans in the Bank, optimize the Bank's income from loans, and control the risk of investing in productive assets.

The Credit Committee consists of:

- a. Credit Implementation Committee
- b. Credit Rescue Committee
- c. Credit Settlement Committee

CREDIT IMPLEMENTATION COMMITTEE**Structure and Membership of the Credit Implementation Committee**

Category	Committee		Business Function Group	Risk Management Function Group	Supporting Business Function Group
A	DIRECTORS	A1	<ul style="list-style-type: none">o President Directoro Commercial and Corporate Directoro Director of Consumer, Retail and Sharia Businesso Leader of the Corporate and Syndicated Medium Credit Division / Head of the Micro, Retail and Program Division / Head of the Consumer Credit Divisiono Branch Manager (proposer / booking office)	<ul style="list-style-type: none">o Compliance and Risk Management Directoro Credit Risk Division Leader	<ul style="list-style-type: none">o Leader of the Treasury Divisiono Head of Service Quality Assurance Division
		A2	<ul style="list-style-type: none">o Commercial and Corporate Directoro Director of Consumer, Retail and Sharia Businesso Leader of the Corporate and Syndicated Medium Credit Division / Head of the Micro, Retail and Program Division / Head of the Consumer Credit Division	<ul style="list-style-type: none">o Compliance and Risk Management Directoro Credit Risk Division Leader	<ul style="list-style-type: none">o Leader of the Treasury Divisiono Head of Service Quality Assurance Division
		A3	<ul style="list-style-type: none">o Commercial and Corporate Directoro Leader of the Corporate and Syndicated Medium Credit Division / Head of the Micro, Retail and Program Division / Head of the Consumer Credit Divisiono Branch Manager (proposer / booking office)	<ul style="list-style-type: none">o Compliance and Risk Management Directoro Credit Risk Division Leader	<ul style="list-style-type: none">o Leader of the Treasury Divisiono Head of Service Quality Assurance Division
B	DIVISION	B	<ul style="list-style-type: none">o Leader of the Corporate and Syndicated Medium Credit Division / Head of the Micro, Retail and Program Division / Head of the Consumer Credit Divisiono Leader of Medium, Corporate and Syndicated Credit Sub Division / Head of Retail & Program Credit Sub Division / Consumer Credit Sub Division Leadero Branch Manager (proposer / booking office)	<ul style="list-style-type: none">o Credit Risk Division Leadero Head of Credit Risk Analysis Sub Division	<ul style="list-style-type: none">o Head of Service Quality Assurance Division
C	BRANCH	C	<ul style="list-style-type: none">o Branch Managero Credit Leader (especially for Main Branch)o Sub Branch Manager (if the suggestion is from Sub Branch)o Credit Operations Supervisor or Sub-Branch Credit Supervisor if the proposal is from the Sub-Branch	<ul style="list-style-type: none">o Operational Leadero Credit Rescue & Settlement Group	<ul style="list-style-type: none">o Credit Administration Group
D	SUB BRANCH	D	<ul style="list-style-type: none">o Sub-Branch Managero Credit Supervisor	<ul style="list-style-type: none">o Credit Rescue & Settlement Group	<ul style="list-style-type: none">o Credit Administration Group

Duties, Authorities and Responsibilities of the Credit Implementation Committee

The duties and powers of the Credit Implementation Committee are:

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:
 - Large debtors
 - 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. Establish credit plans, both restructured and unstructured from other financial institutions;
6. Carry out its duties, especially in relation to granting credit approval in a professional, honest, objective, careful and thorough manner;

7. Refuse the request and influence of the parties with an interest in the credit applicant to provide credit approval which is only a formality.

Profile of Credit Implementation Committee Members

Profiles of members of the Credit Implementation Committee can be seen in the Profiles of the Directors and the Profiles of Division Leaders in the Company Profile Chapter in this Annual Report.

Implementation of the Duties of the Credit Implementation Committee

No	Credit Implementation Committee	Agenda	Material Owner Initiator Division	Total Agenda	Committee Results	Attendance
1	Credit Implementation Committee April 17, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
2	Credit Implementation Committee April 20, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
3	Credit Implementation Committee May 12, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
4	Credit Implementation Committee May 20, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
5	Credit Implementation Committee May 22, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
6	Credit Implementation Committee May 29, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
7	Credit Implementation Committee June 8, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
8	Credit Implementation Committee June 9, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
9	Credit Implementation Committee June 15, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
10	Credit Implementation Committee Juni 26, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
11	Credit Implementation Committee July 2, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
12	Credit Implementation Committee July 6, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
13	Credit Implementation Committee July 15 2020	Credit Implementation Committee	Divisi Kredit, Mikro, Ritel dan Program	1	Approved	100%
14	Credit Implementation Committee July 21, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
15	Credit Implementation Committee July 28, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
16	Credit Implementation Committee July 30, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
17	Credit Implementation Committee August 7, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
18	Credit Implementation Committee August 11, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
19	Credit Implementation Committee August 12, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
20	Credit Implementation Committee August 12, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
21	Credit Implementation Committee September 2, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
22	Credit Implementation Committee September 8, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
23	Credit Implementation Committee September 8, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
24	Credit Implementation Committee September 9, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%

No	Credit Implementation Committee	Agenda	Material Owner Initiator Division	Total Agenda	Committee Results	Attendance
25	Credit Implementation Committee September 11, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
26	Credit Implementation Committee September 15, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
27	Credit Implementation Committee September 15, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
28	Credit Implementation Committee September 15, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
29	Credit Implementation Committee September 15, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
30	Credit Implementation Committee September 22, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
31	Credit Implementation Committee September 22, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
32	Credit Implementation Committee September 29, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
33	Credit Implementation Committee September 29, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
34	Credit Implementation Committee September 30, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
35	Credit Implementation Committee October 13, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
36	Credit Implementation Committee October 13, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
37	Credit Implementation Committee August 4, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
38	Credit Implementation Committee October 5, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
39	Credit Implementation Committee October 5, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
40	Credit Implementation Committee October 9, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
41	Credit Implementation Committee October 21, 2020	Credit Implementation Committee	Divisi Kredit Konsumer	1	Approved	100%
42	Credit Implementation Committee November 16, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
43	Credit Implementation Committee November 25, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
44	Credit Implementation Committee November 25, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
45	Credit Implementation Committee November 25, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
46	Credit Implementation Committee November 25, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
47	Credit Implementation Committee November 26, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
48	Credit Implementation Committee November 26, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
49	Credit Implementation Committee December 7, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
50	Credit Implementation Committee December 7, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
51	Credit Implementation Committee Desember 8, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
52	Credit Implementation Committee December 8, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
53	Credit Implementation Committee December 4, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%

No	Credit Implementation Committee	Agenda	Material Owner Initiator Division	Total Agenda	Committee Results	Attendance
54	Credit Implementation Committee December 14, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
55	Credit Implementation Committee December 15, 2020	Credit Implementation Committee	Divisi Kredit Mikro, Ritel Program	1	Approved	100%
56	Credit Implementation Committee December 15, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
57	Credit Implementation Committee December 16, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
58	Credit Implementation Committee December 16, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
59	Credit Implementation Committee December 16, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
60	Credit Implementation Committee December 22, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
61	Credit Implementation Committee December 22, 2020	Credit Implementation Committee	Micro, Retail and Program Credit Division	1	Approved	100%
62	Credit Implementation Committee December 23, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
63	Credit Implementation Committee December 28, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
64	Credit Implementation Committee December 28, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
65	Credit Implementation Committee December 29, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%
66	Credit Implementation Committee December 29, 2020	Credit Implementation Committee	Commercial, Corporate and Syndicated Credit Division	1	Approved	100%

CREDIT RESCUE COMMITTEE

Structure And Membership Of The Credit Saving Committee

1. Performing Loan Credit Rescue

Category	Committee		Business Function Group	Risk Management function group	Group of supporting business functions
A	DIRECTORS	A1	<ul style="list-style-type: none">o President Directoro Commercial and Corporate Directoro Director of Consumer, Retail and Sharia Businesso Leader of the Corporate and Syndicated Medium Credit Division / Leader of the Micro, Retail and Program Credit Division / Leader of the Consumer Credit Division / Leader of the Sharia Business Divisiono Branch Manager booking office	<ul style="list-style-type: none">o Compliance and Risk Management Directoro Credit Risk Division Leader	<ul style="list-style-type: none">o Leader of the Treasury Divisiono Head of Service Quality Assurance Division
		A2	<ul style="list-style-type: none">o Commercial and Corporate Directoro Director of Consumer, Retail and Sharia Businesso Leader of the Corporate and Syndicated Medium Credit Division / Head of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Head of the Sharia Business Divisiono Branch Manager booking office	<ul style="list-style-type: none">o Compliance and Risk Management Directoro Credit Risk Division Leader	<ul style="list-style-type: none">o Leader of the Treasury Divisiono Head of Service Quality Assurance Division
		A3	<ul style="list-style-type: none">o Commercial and Corporate Director / Consumer, Retail and Sharia Business Directoro Leader of the Corporate and Syndicated Medium Credit Division / Leader of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Leader of the Sharia Business Divisiono Branch Manager booking office	<ul style="list-style-type: none">o Compliance and Risk Management Directoro Credit Risk Division Leader	<ul style="list-style-type: none">o Leader of the Treasury Divisiono Head of Service Quality Assurance Division

Category	Committee	Business Function Group	Risk Management function group	Group of supporting business functions
	DIVISION B	<ul style="list-style-type: none"> o Leader of the Corporate and Syndicated Medium Credit Division / Leader of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Leader of the Sharia Business Division o Branch Manager booking office 	<ul style="list-style-type: none"> o Credit Risk Division Leader 	<ul style="list-style-type: none"> o Leader of the Treasury Division o Head of Service Quality Assurance Division
	BRANCH C	<ul style="list-style-type: none"> o Branch Manager o Credit Leader (especially for Main Branch) o Sub-Branch Manager 	<ul style="list-style-type: none"> o Operational Leader o Credit Rescue & Settlement Group 	<ul style="list-style-type: none"> o Credit Administration Group

2. Non Performing Loan Rescue

Category	Committee	Business Function Group	Risk management function group	Group of supporting business functions
A	DIRECTORS A1	<ul style="list-style-type: none"> o President Director o Commercial and Corporate Director o Director of Consumer, Retail and Sharia Business o Compliance and Risk Management Director o Leader of the Credit Rescue and Settlement Division o Leader of the Corporate and Syndicated Medium Credit Division / Leader of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Leader of the Sharia Business Division o Branch Manager booking office 	<ul style="list-style-type: none"> o Credit Risk Division Leader 	<ul style="list-style-type: none"> o Leader of the Treasury Division o Head of Service Quality Assurance Division
		<ul style="list-style-type: none"> o Commercial and Corporate Director o Director of Consumer, Retail and Sharia Business o Compliance and Risk Management Director o Leader of the Credit Rescue and Settlement Division o Leader of the Corporate and Syndicated Medium Credit Division / Head of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Head of the Sharia Business Division o Branch Manager booking office 	<ul style="list-style-type: none"> o Credit Risk Division Leader 	<ul style="list-style-type: none"> o Leader of the Treasury Division o Head of Service Quality Assurance Division
	DIVISION B	<ul style="list-style-type: none"> o Head of the Credit Rescue and Settlement Division o Branch Manager booking office 	<ul style="list-style-type: none"> o Credit Risk Division Leader 	<ul style="list-style-type: none"> o Leader of the Treasury Division o Head of Service Quality Assurance Division
	BRANCH C	<ul style="list-style-type: none"> o Branch Manager o Credit Leader (especially for Main Branch) o Sub-Branch Manager 	<ul style="list-style-type: none"> o Operational Leader o Credit Rescue & Settlement Group 	<ul style="list-style-type: none"> o Credit Administration Group

Duties, Authorities and Responsibilities of the Credit Rescue Committee

The duties and powers of the Credit Rescue Committee are:

1. Provide direction if necessary to conduct a more in-depth and comprehensive credit restructuring analysis (review of credit restructuring memorandum).
2. Provide a decision or recommendation on the draft credit restructuring decision submitted by the relevant recommendation provider/proposer.
3. Coordinate with the Asset & Liabilities Committee (ALCO) in the aspect of adjusting the restructuring loan interest rate if necessary.
4. Give approval or rejection of the credit restructuring proposal in accordance with the credit limit set by the Board of Directors.
5. Provide a decision on the proposed credit restructuring facility.
6. Carry out its duties, especially in relation to the approval of credit restructuring in a professional, honest, objective, thorough and thorough manner.

7. Refuse the request and influence of the parties with an interest in the credit applicant to provide a formal credit restructuring agreement.

Profile of Members of the Credit Rescue Committee

Profiles of members of the Credit Rescue Committee can be seen in the Profiles of Directors and Profile of Division Leaders in the Company Profile Chapter of this Annual Report.

Implementation of Duties of the Credit Rescue Committee

No	Credit Rescue Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
1	Credit Rescue Committee October 26, 2020	Restructuring Proposal Committee	PPK	1	Approved in committee	100%
2	Credit Rescue Committee October 20, 2020	Restructuring Proposal Committee	PPK	1	Approved in committee	100%
3	Credit Rescue Committee December 30, 2020	Restructuring Proposal Committee	PPK	1	Approved in committee	100%

Agenda of the Covid-19 Affected Credit Rescue / Restructuring Committee with Related Branches and Divisions In 2020

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
1	Credit Rescue Committee 28 April 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
2	Credit Rescue Committee April 30, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
3	Credit Rescue Committee May 4, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
4	Credit Rescue Committee May 5, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
5	Credit Rescue Committee May 11, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
6	Credit Rescue Committee May 12, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
7	Credit Rescue Committee May 13, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	36	Approved	100%
8	Credit Rescue Committee May 14, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	41	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
9	Credit Rescue Committee May 15, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	21	Approved	100%
10	Credit Rescue Committee May 18, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	18	Approved	100%
11	Credit Rescue Committee May 19, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	48	Approved	100%
12	Credit Rescue Committee May 20, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	88	Approved	100%
13	Credit Rescue Committee May 22, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	36	Approved	100%
14	Credit Rescue Committee May 26, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
15	Credit Rescue Committee May 27, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
16	Credit Rescue Committee May 28, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	69	Approved	100%
17	Credit Rescue Committee May 29, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	24	Approved	100%
18	Credit Rescue Committee May 30, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	9	Approved	100%
19	Credit Rescue Committee June 2, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	19	Approved	100%
20	Credit Rescue Committee June 3, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	13	Approved	100%
21	Credit Rescue Committee June 4, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	11	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
22	Credit Rescue Committee June 5, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	30	Approved	100%
23	Credit Rescue Committee June 8, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	15	Approved	100%
24	Credit Rescue Committee June 9, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
25	Credit Rescue Committee June 10, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	19	Approved	100%
26	Credit Rescue Committee June 11, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	21	Approved	100%
27	Credit Rescue Committee June 12, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	14	Approved	100%
28	Credit Rescue Committee June 15, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	25	Approved	100%
29	Credit Rescue Committee June 16, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	16	Approved	100%
30	Credit Rescue Committee June 17, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	15	Approved	100%
31	Credit Rescue Committee June 18, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	15	Approved	100%
32	Credit Rescue Committee June 19, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	28	Approved	100%
33	Credit Rescue Committee June 22, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	9	Approved	100%
34	Credit Rescue Committee June 23, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	13	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
35	Credit Rescue Committee June 24, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	19	Approved	100%
36	Credit Rescue Committee June 25, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	16	Approved	100%
37	Credit Rescue Committee June 26, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	19	Approved	100%
38	Credit Rescue Committee June 29, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	14	Approved	100%
39	Credit Rescue Committee June 30, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	11	Approved	100%
40	Credit Rescue Committee July 1, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
41	Credit Rescue Committee July 2, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	12	Approved	100%
42	Credit Rescue Committee July 3, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
43	Credit Rescue Committee July 6, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	14	Approved	100%
44	Credit Rescue Committee July 7, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	9	Approved	100%
45	Credit Rescue Committee July 8, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	9	Approved	100%
46	Credit Rescue Committee July 9, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	9	Approved	100%
47	Credit Rescue Committee July 10, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
48	Credit Rescue Committee July 13, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	6	Approved	100%
49	Credit Rescue Committee July 14, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
50	Credit Rescue Committee July 15, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
51	Credit Rescue Committee July 16, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	14	Approved	100%
52	Credit Rescue Committee July 17, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
53	Credit Rescue Committee July 20, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
54	Credit Rescue Committee July 21, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
55	Credit Rescue Committee July 22, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
56	Credit Rescue Committee July 23, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	13	Approved	100%
57	Credit Rescue Committee July 27, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
58	Credit Rescue Committee July 28, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
59	Credit Rescue Committee July 29, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	9	Approved	100%
60	Credit Rescue Committee July 30, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
61	Credit Rescue Committee August 3, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
62	Credit Rescue Committee August 4, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	6	Approved	100%
63	Credit Rescue Committee August 5, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
64	Credit Rescue Committee August 10, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
65	Credit Rescue Committee August 11, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	6	Approved	100%
66	Credit Rescue Committee August 12, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
67	Credit Rescue Committee August 13, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
68	Credit Rescue Committee August 14, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
69	Credit Rescue Committee August 18, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
70	Credit Rescue Committee August 19, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	10	Approved	100%
71	Credit Rescue Committee August 25, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	6	Approved	100%
72	Credit Rescue Committee August 26, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
73	Credit Rescue Committee August 27, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	6	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
74	Credit Rescue Committee August 28, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
75	Credit Rescue Committee August 31, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	6	Approved	100%
76	Credit Rescue Committee September 1, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
77	Credit Rescue Committee September 2, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	6	Approved	100%
78	Credit Rescue Committee September 3, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
79	Credit Rescue Committee September 8, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
80	Credit Rescue Committee September 9, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
81	Credit Rescue Committee September 10, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
82	Credit Rescue Committee September 11, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
83	Credit Rescue Committee September 14, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
84	Credit Rescue Committee September 15, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
85	Credit Rescue Committee September 16, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
86	Credit Rescue Committee September 17, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	7	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
87	Credit Rescue Committee September 18, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
88	Credit Rescue Committee September 21, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	7	Approved	100%
89	Credit Rescue Committee September 23, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
90	Credit Rescue Committee September 24, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	10	Approved	100%
91	Credit Rescue Committee September 25, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	10	Approved	100%
92	Credit Rescue Committee September 28, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
93	Credit Rescue Committee September 29, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
94	Credit Rescue Committee September 30, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	10	Approved	100%
95	Credit Rescue Committee October 2, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
96	Credit Rescue Committee October 5, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
97	Credit Rescue Committee October 6, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
98	Credit Rescue Committee October 8, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
99	Credit Rescue Committee October 9, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
100	Credit Rescue Committee October 12, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
101	Credit Rescue Committee October 13, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
102	Credit Rescue Committee October 16, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
103	Credit Rescue Committee October 17, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
104	Credit Rescue Committee October 19, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
105	Credit Rescue Committee October 20, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
106	Credit Rescue Committee October 22, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
107	Credit Rescue Committee October 23, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
108	Credit Rescue Committee October 26, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	10	Approved	100%
109	Credit Rescue Committee October 27, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	11	Approved	100%
110	Credit Rescue Committee November 2, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
111	Credit Rescue Committee November 4, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
112	Credit Rescue Committee November 5, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
113	Credit Rescue Committee November 6, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
114	Credit Rescue Committee November 9, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
115	Credit Rescue Committee November 10, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
116	Credit Rescue Committee November 11, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
117	Credit Rescue Committee November 12, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
118	Credit Rescue Committee November 13, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
119	Credit Rescue Committee November 17, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
120	Credit Rescue Committee November 18, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
121	Credit Rescue Committee November 19, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
122	Credit Rescue Committee November 23, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	4	Approved	100%
123	Credit Rescue Committee November 24, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
124	Credit Rescue Committee November 26, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	18	Approved	100%
125	Credit Rescue Committee November 27, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	13	Approved	100%

No	Credit Saving Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
126	Credit Rescue Committee November 30, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
127	Credit Rescue Committee December 2, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
128	Credit Rescue Committee December 4, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
129	Credit Rescue Committee December 8, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
130	Credit Rescue Committee December 10, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	3	Approved	100%
131	Credit Rescue Committee December 15, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%
132	Credit Rescue Committee December 16, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	8	Approved	100%
133	Credit Rescue Committee December 17, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
134	Credit Rescue Committee December 18, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	1	Approved	100%
135	Credit Rescue Committee December 22, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
136	Credit Rescue Committee December 23, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	43	Approved	100%
137	Credit Rescue Committee December 28, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	5	Approved	100%
138	Credit Rescue Committee December 30, 2020	Covid-19 Affected Credit Restructuring Committee	Operations Division	2	Approved	100%

Credit Settlement Committee

Structure and Membership of the Credit Settlement Committee

1. Non-write-off Credit Settlement Committee

Committee	Business Function Group	Risk Management Function Group	Supporting Business Function Group
DIRECTORS A1	<ul style="list-style-type: none"> • President Director • Commercial and Corporate Director • Director of Consumer, Retail and Sharia Business • Compliance and Risk Management Director • Leader of the Credit Rescue and Settlement Division • Leader of the Corporate and Syndicated Medium Credit Division / Leader of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Leader of the Sharia Business Division • Branch Manager booking office 		<ul style="list-style-type: none"> • Head of Service Quality Assurance Division
A2	<ul style="list-style-type: none"> • Director of Consumer, Retail and Sharia Business • Compliance and Risk Management Director • Leader of the Credit Rescue and Settlement Division • Leader of the Corporate and Syndicated Medium Credit Division / Head of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Head of the Sharia Business Division • Branch Manager booking office 		<ul style="list-style-type: none"> • Head of Service Quality Assurance Division
A3	<ul style="list-style-type: none"> • Compliance and Risk Management Director • Leader of the Credit Rescue and Settlement Division • Leader of the Corporate and Syndicated Medium Credit Division / Leader of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Leader of the Sharia Business Division • Branch Manager booking office 		<ul style="list-style-type: none"> • Head of Service Quality Assurance Division

2. Write-Off Credit Settlement Committee

Committee	Business function groups	Risk management function group	Group of supporting business functions
DIRECTORS	<ul style="list-style-type: none"> • President Director • Commercial and Corporate Director • Director of Consumer, Retail and Sharia Business • Compliance and Risk Management Director • Finance Director • Director of IT and Operations • Leader of the Credit Rescue and Settlement Division • Leader of the Corporate and Syndicated Medium Credit Division / Leader of the Micro, Retail and Program Division / Leader of the Consumer Credit Division / Leader of the Sharia Business Division 		<ul style="list-style-type: none"> • Head of Service Quality Assurance Division • Head of the Financial Control Division

Duties, Authorities and Responsibilities of the Credit Settlement Committee

The duties and powers of the Credit Settlement Committee are:

1. Provide guidance if necessary to conduct a more in-depth and comprehensive analysis of credit settlement schemes (review of credit settlement memoranda);
2. Provide directions if necessary to conduct a more in-depth and comprehensive review of write-off submissions;
3. Give approval or rejection of credit settlement proposals in accordance with the credit limit set by the Board of Directors;
4. Give approval or rejection of the proposal for write-offs of credit;
5. Provide a decision on the proposed credit restructuring facility;
6. Carry out its duties, especially in relation to the approval of credit settlement schemes in a professional, honest, objective, thorough and thorough manner;
7. Carry out its duties, especially in relation to the approval of the proposal for write-offs in a professional, honest, objective, careful and thorough manner;
8. Refuse the request and influence of the parties with an interest in the credit applicant to make a decision on the credit settlement scheme and write-off proposals that are only formalities.

Profile of Members of the Credit Settlement Committee

Profiles of Credit Settlement Committee Members can be seen in the Profiles of the Directors and Division Leaders in the Company Profile Chapter in this Annual Report.

Implementation of Duties of the Credit Settlement Committee

During 2020, no meetings were held.

FINANCING COMMITTEE

The Financing Committee was 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 by considering business development without abandoning prudential principles including restructuring and financing settlement.

The purpose of establishing the Financing Committee was to minimize the risk of problem financing in the Bank, optimize the Bank's income from disbursed financing, and control the risk of investing in productive assets.

The Financing Committee consisted of:

- Financing Implementation Committee;
- Financing Rescue Committee;
- Financing Settlement Committee.

Financing Implementation Committee

Structure and Membership of the Financing Implementation Committee

Category	Committee	Business Function Group	Risk Management Function Group	Supporting Business Function Group
A	DIRECTORS	A1 <ul style="list-style-type: none"> President Director Commercial and Corporate Director Director of Consumer, Retail and Sharia Business Leader of the Sharia Business Division Branch Manager (proposer / booking office) 	<ul style="list-style-type: none"> Compliance and Risk Management Director Credit Risk Division Leader 	<ul style="list-style-type: none"> Leader of the Treasury Division Head of Service Quality Assurance Division
		A2 <ul style="list-style-type: none"> Commercial and Corporate Director Director of Consumer, Retail and Sharia Business Leader of the Sharia Business Division Branch Manager (proposer / booking office) 	<ul style="list-style-type: none"> Compliance and Risk Management Director Credit Risk Division Leader 	<ul style="list-style-type: none"> Leader of the Treasury Division Head of Service Quality Assurance Division
		A3 <ul style="list-style-type: none"> Director of Consumer, Retail and Sharia Business Leader of the Sharia Business Division Branch Manager (proposer / booking office) 	<ul style="list-style-type: none"> Compliance and Risk Management Director Credit Risk Division Leader 	<ul style="list-style-type: none"> Leader of the Treasury Division Head of Service Quality Assurance Division
B	DIVISION	B <ul style="list-style-type: none"> Leader of the Sharia Business Division Head of the Financing Sub Division Branch Manager (proposer / booking office) 	<ul style="list-style-type: none"> Credit Risk Division Leader Head of Credit Risk Analysis Sub Division 	<ul style="list-style-type: none"> Head of Service Quality Assurance Division
C	BRANCH	C <ul style="list-style-type: none"> Branch Manager Credit Leader (especially for Main Branch) Sub Branch Manager (if the suggestion is from Sub Branch) Financing Operations Supervisor or Sub-Branch Credit Supervisor if the proposal is from the Sub-Branch 	<ul style="list-style-type: none"> Operational Leader Financing Rescue & Settlement Group 	<ul style="list-style-type: none"> Financing Administration Group
D	SUB BRANCH	D <ul style="list-style-type: none"> Sub-Branch Manager Financing Supervisor 	<ul style="list-style-type: none"> Financing Rescue & Settlement Group 	<ul style="list-style-type: none"> Financing Administration Group

Duties, Authorities and Responsibilities of The Financing Implementation Committee

The duties and powers of the Financing Implementation Committee are

- Provide direction if necessary to conduct a more in-depth and comprehensive Financing analysis (review of the Financing analysis memorandum);
- Provide a decision or recommendation on the draft Financing decision submitted by the recommendation provider/proposer which is related but not limited to:

- Large debtors
 - Industry specific
- c. Coordinating with the Asset & Liabilities Committee (ALCO) in terms of financing funding aspects and adjusting the margin / profit sharing of corporate financing if needed.
 - d. Give approval or credit rejection of the proposed Financing facility in accordance with the credit limit set by the Board of Directors;
 - e. Establish credit plans, both restructured and unstructured from other financial institutions;
 - f. Carry out its duties, especially in relation to granting Financing approval in a professional, honest, objective, careful and thorough manner;
 - g. Refuse the request and influence of the parties with an interest in the credit applicant to provide Financing approval which is only a formality.

Profile of Financing Implementation Committee Members

Profiles of members of the Financing Implementation Committee can be seen in the Profiles of the Directors and the Profiles of Division Leaders in the Company Profile Chapter in this Annual Report.

Implementation of The Duties of The Financing Implementation Committee

No	Financing Implementation Committee	Agenda	Material Owner Initiator Division	Total Agenda	Committee Results	Attendance
1.	Customer financing committee January 17, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
2.	Customer financing committee 21 January 21, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
3.	Customer financing committee March 13, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
4.	Customer financing committee May 18, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
5.	Customer financing committee May 26, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
6.	Customer financing committee July 22, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
7.	Customer financing committee August 27, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
8.	Customer financing committee August 19, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
9.	Customer financing committee August 19, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
10.	Customer financing committee August 19, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%
11.	Customer financing committee December 23, 2020	Financing committee	Sharia Business Division	1	Approved for realization	100%

Financing Rescue Committee

Structure and Membership of the Financing Rescue Committee

a) Performing Financing Rescue Committee

Category	Committee	Business Function Group	Risk Management function group	Group of supporting business functions
A	DIRECTORS	A1 <ul style="list-style-type: none"> • President Director • Commercial and Corporate Director • Director of Consumer, Retail and Sharia Business • Leader of the Sharia Business Division • Branch Manager booking office 	<ul style="list-style-type: none"> • Compliance and Risk Management Director • Credit Risk Division Leader 	<ul style="list-style-type: none"> • Leader of the Treasury Division • Head of Service Quality Assurance Division
		A2 <ul style="list-style-type: none"> • Commercial and Corporate Director • Director of Consumer, Retail and Sharia Business • Leader of the Sharia Business Division • Branch Manager booking office 	<ul style="list-style-type: none"> • Compliance and Risk Management Director • Credit Risk Division Leader 	<ul style="list-style-type: none"> • Leader of the Treasury Division • Head of Service Quality Assurance Division
		A3 <ul style="list-style-type: none"> • Director of Consumer, Retail and Sharia Business • Leader of the Sharia Business Division • Branch Manager booking office 	<ul style="list-style-type: none"> • Compliance and Risk Management Director • Credit Risk Division Leader 	<ul style="list-style-type: none"> • Leader of the Treasury Division • Head of Service Quality Assurance Division
B	DIVISION	B <ul style="list-style-type: none"> • Leader of the Sharia Business Division • Branch Manager booking office 	<ul style="list-style-type: none"> • Credit Risk Division Leader 	<ul style="list-style-type: none"> • Head of the Sharia Network & Service Operations Division
C	BRANCH	C <ul style="list-style-type: none"> • Branch Manager • Sub Branch Manager 	<ul style="list-style-type: none"> • Operational Leader • Financing Rescue & Settlement Group 	<ul style="list-style-type: none"> • Financing Administration Group

b) Non Performing Financing Rescue Committee

Category	Committee	Business Function Group	Risk Management function group	Group of supporting business functions
A	DIRECTORS	A1 <ul style="list-style-type: none"> • President Director • Commercial and Corporate Director • Director of Consumer, Retail and Sharia Business • Compliance and Risk Management Director • Head of the Credit Rescue and Settlement Division • Leader of the Sharia Business Division • Branch Manager booking office 	<ul style="list-style-type: none"> • Credit Risk Division Leader 	<ul style="list-style-type: none"> • Leader of the Treasury Division • Head of Service Quality Assurance Division
		A2 <ul style="list-style-type: none"> • Commercial and Corporate Director • Director of Consumer, Retail and Sharia Business • Compliance and Risk Management Director • Head of the Credit Rescue and Settlement Division • Leader of the Sharia Business Division • Branch Manager booking office 	<ul style="list-style-type: none"> • Credit Risk Division Leader 	<ul style="list-style-type: none"> • Leader of the Treasury Division • Head of Service Quality Assurance Division
B	DIVISION	B <ul style="list-style-type: none"> • Head of the Credit Rescue and Settlement Division • Branch Manager booking office 	<ul style="list-style-type: none"> • Credit Risk Division Leader 	<ul style="list-style-type: none"> • Head of the Sharia Network & Service Operations Division
C	BRANCH	C <ul style="list-style-type: none"> • Branch Manager • Sub Branch Manager 	<ul style="list-style-type: none"> • Operational Leader • Financing Rescue & Settlement Group 	<ul style="list-style-type: none"> • Financing Administration Group

Duties, Authorities and Responsibilities of the Financing Rescue Committee

The Duties and Authorities of the Financing Rescue Committee are:

- Provide direction if necessary to conduct a more in-depth and comprehensive financing restructuring analysis (review of financing restructuring memorandum);
- Provide a decision or recommendation on the draft financing restructuring decision submitted by the relevant recommendation provider/proposer;
- Coordinating with the Asset & Liabilities Committee (ALCO) in the aspect of margin adjustment / restructuring financing profit sharing if needed;
- Give approval or rejection of the financing restructuring proposal in accordance with the credit limit set by the Board of Directors.
- Provide a decision on the proposed financing restructuring facility.
- Carry out its duties, especially in relation to the granting of approval for financing restructuring in a professional, honest, objective, thorough and thorough manner;
- Refuse the request and influence of the parties with an interest in the financing applicant to give approval for a financing restructuring which is only a formality

Financing Rescue Committee Member Profiles

Profiles of the members of the Financing Rescue Committee can be seen in the Profiles of the Directors and the Profiles of Division Leaders in the Company Profile Chapter in this Annual Report.

Implementation of the Duties of the Financing Rescue Committee

No	Financing Rescue Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results Of The Committee	Attendance
1	Customer Financing Restructuring Committee May 18, 2020	Customer Financing Restructuring Committee	Sharia Business Division	1	Approved 1 Account Restructuring	100%
2	Customer Financing Restructuring Committee affected by Covid-19 May 19, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	17	Approved 17 Account Restructuring	100%
3	Customer Financing Restructuring Committee affected by Covid-19 May 20, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	2	Approved 2 Account Restructuring	100%
4	Customer Financing Restructuring Committee affected by Covid-19 May 22, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	10	Approved 10 Account Restructuring	100%
5	Customer Financing Restructuring Committee affected by Covid-19 May 29, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	13	Approved 13 Account Restructuring	100%
6	Customer Financing Restructuring Committee affected by Covid-19 June 04, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	7	Approved for 6 Account Restructuring, Denied 1 Account	100%
7	Customer Financing Restructuring Committee affected by Covid-19 June 12, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	6	Approved for 6 Account Restructuring	100%
8	Customer Financing Restructuring Committee affected by Covid-19 June 16, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Denied 1 Account	100%
9	Customer Financing Restructuring Committee affected by Covid-19 June 17, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	5	Approved for 5 Account Restructuring	100%
10	Customer Financing Restructuring Committee affected by Covid-19 June 19, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	2	Approved 2 Account Restructuring	100%

No	Financing Rescue Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results Of The Committee	Attendance
11	Customer Financing Restructuring Committee affected by Covid-19 June 23, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	10	Approved 10 Account Restructuring	100%
12	Customer Financing Restructuring Committee affected by Covid-19 June 25, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	193	Approved 193 Account Restructuring	100%
13	Customer Financing Restructuring Committee affected by Covid-19 June 29, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	8	Approved 8 Account Restructuring	100%
14	Customer Financing Restructuring Committee affected by Covid-19 July 01, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Denied 1 Account Restructuring	100%
15	Customer Financing Restructuring Committee affected by Covid-19 July 03, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Approved 1 Account Restructuring	100%
16	Customer Financing Restructuring Committee affected by Covid-19 July 20, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	18	Approved by 16 Account Restructuring, Denied 2 Accounts	100%
17	Customer Financing Restructuring Committee affected by Covid-19 July 21, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	5	Approved by 4 Account Restructuring, Denied 1 Account	100%
18	Customer Financing Restructuring Committee affected by Covid-19 July 22, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	2	Approved 2 Account Restructuring	100%
19	Customer Financing Restructuring Committee affected by Covid-19 July 24, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Approved 1 Account Restructuring	100%
20	Customer Financing Restructuring Committee affected by Covid-19 July 28, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	17	Approved 17 Account Restructuring	100%
21	Customer Financing Restructuring Committee affected by Covid-19 July 30, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	2	Approved 2 Account Restructuring	100%
22	Customer Financing Restructuring Committee affected by Covid-19 August 04, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Denied 1 Account Restructuring	100%
23	Customer Financing Restructuring Committee affected by Covid-19 August 06, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	16	Approved for the Restructuring of 16 Accounts	100%
24	Customer Financing Restructuring Committee affected by Covid-19 August 14, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Denied 1 Account Restructuring	100%
25	Customer Financing Restructuring Committee affected by Covid-19 August 19, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	12	Approved 12 Account Restructuring	100%
26	Customer Financing Restructuring Committee affected by Covid-19 August 26, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	3	Approved 3 Account Restructuring	100%

No	Financing Rescue Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results Of The Committee	Attendance
27	Customer Financing Restructuring Committee affected by Covid-19 August 27, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	24	Approved 24 Account Restructuring	100%
28	Customer Financing Restructuring Committee affected by Covid-19 August 28, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Approved 1 Account Restructuring	100%
29	Customer Financing Restructuring Committee affected by Covid-19 September 09, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	5	Approved for 5 Account Restructuring	100%
30	Customer Financing Restructuring Committee affected by Covid-19 September 14, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	5	Approved for 5 Account Restructuring	100%
31	Customer Financing Restructuring Committee affected by Covid-19 September 16, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	9	Approved 9 Account Restructuring	100%
32	Customer Financing Restructuring Committee affected by Covid-19 September 24, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	10	Approved 9 Account Restructuring, Denied 1 Account	100%
33	Customer Financing Restructuring Committee affected by Covid-19 September 28, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Denied 1 Account	100%
34	Customer Financing Restructuring Committee affected by Covid-19 September 29, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	2	Approved 2 Account Restructuring	100%
35	Customer Financing Restructuring Committee affected by Covid-19 September 30, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	3	Denied 3 Account Restructuring	100%
36	Customer Financing Restructuring Committee affected by Covid-19 October 13, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	8	7 Account Restructuring Approved, 1 Account Rejected	100%
37	Customer Financing Restructuring Committee affected by Covid-19 October 23, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Approved 1 Account Restructuring	100%
38	Customer Financing Restructuring Committee affected by Covid-19 October 26, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	7	Approved for 7 Account Restructuring	100%
39	Customer Financing Restructuring Committee affected by Covid-19 November 06, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Approved 1 Account Restructuring	100%
40	Customer Financing Restructuring Committee affected by Covid-19 November 09, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	2	Approved 2 Account Restructuring	100%
41	Customer Financing Restructuring Committee affected by Covid-19 November 13, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Approved 1 Account Restructuring	100%

No	Financing Rescue Committee	Agenda	Material Owner Initiator Division	Total Agenda	Results Of The Committee	Attendance
42	Customer Financing Restructuring Committee affected by Covid-19 November 16, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	5	Approved for 4 Account Restructuring, 1 Account Rejected	100%
43	Customer Financing Restructuring Committee affected by Covid-19 November 23, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	2	Approved 2 Account Restructuring	100%
44	Customer Financing Restructuring Committee affected by Covid-19 November 30, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	3	Approved 3 Account Restructuring	100%
45	Customer Financing Restructuring Committee affected by Covid-19 December 10, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	4	Approved 4 Account Restructuring	100%
46	Customer Financing Restructuring Committee affected by Covid-19 December 16, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	3	Approved 3 Account Restructuring	100%
47	Customer Financing Restructuring Committee affected by Covid-19 December 23, 2020	Customer Financing Restructuring Committee affected by Covid-19	Sharia Business Division	1	Approved 1 Account Restructuring	100%

Financing Settlement Committee

Structure and Membership of the Financing Settlement Committee

a) Non-write-off Financing Settlement Committee

Committee		Business Function Group	Risk Management Function Group	Supporting Business Function Group
DIRECTORS	A1	<ul style="list-style-type: none"> President Director Commercial and Corporate Director / Consumer, Retail and Sharia Business Director Compliance and Risk Management Director Head of the Credit Rescue and Settlement Division Leader of the Sharia Business Division Branch Manager booking office 		<ul style="list-style-type: none"> Head of Service Quality Assurance Division
	A2	<ul style="list-style-type: none"> Commercial and Corporate Director / Consumer, Retail and Sharia Business Director Compliance and Risk Management Director Head of the Credit Rescue and Settlement Division Leader of the Sharia Business Division Branch Manager booking office 		<ul style="list-style-type: none"> Head of Service Quality Assurance Division
	A3	<ul style="list-style-type: none"> Compliance and Risk Management Director Head of the Credit Rescue and Settlement Division Leader of the Sharia Business Division Branch Manager booking office 		<ul style="list-style-type: none"> Head of Service Quality Assurance Division

b) Write-Off Financing Settlement Committee

Committee	Business function groups	Risk management function group	Group of supporting business functions
DIRECTORS	<ul style="list-style-type: none"> President Director Commercial and Corporate Director Director of Consumer, Retail and Sharia Business Compliance and Risk Management Director Director of Finance Director of IT and Operations Head of the Credit Rescue and Settlement Division Leader of the Sharia Business Division 		<ul style="list-style-type: none"> Head of Service Quality Assurance Division Head of the Financial Control Division

Duties, Authorities and Responsibilities of the Financing Settlement Committee

The duties and authorities of the Financing Settlement Committee are:

1. Providing guidance if necessary to conduct a more in-depth and comprehensive analysis of the financing settlement scheme (review of the financing settlement memorandum);
2. Providing directions if necessary to conduct a more in-depth and comprehensive review of write-off submissions;
3. Giving approval or rejection of the proposed financing settlement in accordance with the limit of authority for financing set by the Board of Directors;
4. Giving approval or rejection of financing write-off proposal;
5. Carrying out its duties, especially in relation to the approval of a financing settlement scheme in a professional, honest, objective, careful and thorough manner;
6. Carrying out its duties, especially in relation to granting write-off approval in a professional, honest, objective, careful and thorough manner;
7. Rejecting the request and influencing of the parties with an interest in the financing applicant to make a decision on the financing settlement scheme and write-off proposals that are only formalities.

Financing Settlement Committee Member Profiles

Profiles of members of the Financing Settlement Committee can be seen in the Profiles of the Board of Directors and the Profile of Division Leaders in the Company Profile Chapter in this Annual Report.

Implementation of the Duties of the Financing Settlement Committee

During 2020, the Financing Settlement Committee carried out its duties by analyzing financing settlement schemes, reviewing write-off submissions, and providing approval or rejection of financing settlement proposals.

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

CREDIT POLICY COMMITTEE

Structure and Membership of Credit Policy Committee

Head of Committee	President Director
Interim Head of Committee	Compliance and Risk Management Director
Secretary	Head of Product Development & Policy Division
Permanent Members	<p>Board of Directors:</p> <ol style="list-style-type: none"> 1. Commerce & Corporation Director 2. Consumer, Retail, and Sharia Business Director 3. IT and Operations Director 4. Finance Director <p>Divisions:</p> <ol style="list-style-type: none"> 1. Head of Credit Risk Division 2. Head of Consumer Credit Division 3. Head of Micro, Retail, & Program Division 4. Head of Medium, Corporate, & Syndication Credit Division 5. Head of Treasury Division 6. Head of Service Quality Assurance Division 7. Head of Strategic Planning & Performance Management Division 8. Head of Credit Restructuring & Settlement Division 9. Head of International Banking Division 10. Head of Institutional Relations & Business Division
Non Permanent Members	<ol style="list-style-type: none"> 1. Compliance and Risk Management Director 2. Head of Compliance & Governance Division 3. Head of Internal Audit Division 4. Head of Legal Division 5. Head of Human Capital Division 6. Head of Corporate Risk Management Division
Invitee	Risk Monitoring Committee (Board of Commissioners)

Duties, Authority, and Responsibilities of Credit Policy Committee

The Credit Policy Committee (KKP) has the following functions in its activities:

1. Provide input to the Directors in the preparation of the Bank Credit Policy (KPB), especially those relating to the formulation of the principle of prudence in credit;
2. Oversee that CDE can be applied and implemented consistently and formulate solutions if there are obstacles or obstacles in the application of CDE;
3. Conduct periodic reviews of CDE and provide advice to the Directors if necessary changes or improvements to CDE;
4. Monitor and evaluate the development and quality of the overall credit portfolio;
5. Monitor and evaluate the correctness of the implementation of the authority to decide on credit;
6. Monitor and evaluate the correctness of the process of granting, developing and quality of credit granted to parties related to certain Banks and large debtors;
7. Monitor and evaluate compliance with statutory provisions and other regulations in the implementation of credit extension;
8. Monitor and evaluate the settlement of non-performing loans in accordance with the Bank Credit Policy (KPB);
9. Monitor and evaluate the Bank's efforts to meet the adequacy of the allowance for credit write-offs;
10. Evaluate and ensure that loans are given in accordance with the Legal Lending Limit (LLL);
11. Provide recommendations on cooperation offers for Program Credit distribution;
12. Determine the approval/agreement on the cooperation offer for program credit distribution;
13. Evaluate the application of corporate governance to achieve sound credit principles;
14. Ensure that the implementation of credit approval is in accordance with the authority limits.

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.

Implementation of Duties of the Accounting Policy Committee

During 2020, the Credit Policy Committee has carried out tasks including formulating Bank Credit Policies, evaluating the development and quality of credit portfolios, and monitoring and evaluating the settlement of non-performing loans.

FINANCING POLICY COMMITTEE

Financing Policy Committee Structure and Membership

Head of Committee	President Director
Interim Head of Committee	Compliance and Risk Management Director
Secretary	Head of Product Development & Policy Division
Permanent Members	Board of Directors: <ol style="list-style-type: none"> 1. Commerce & Corporation Director 2. Consumer, Retail, and Sharia Business Director 3. IT and Operations Director 4. Finance Director Divisions: <ol style="list-style-type: none"> 1. Head of Credit Risk Division 2. Head of Consumer Credit Division 3. Head of Micro, Retail, & Program Division 4. Head of Medium, Corporate, & Syndication Credit Division 5. Head of Treasury Division 6. Head of Service Quality Assurance Division 7. Head of Strategic Planning & Performance Management Division 8. Head of Credit Restructuring & Settlement Division 9. Head of International Banking Division 10. Head of Institutional Relations & Business Division 11. Head of Sharia Business Division
Non Permanent Members	<ol style="list-style-type: none"> 1. Compliance and Human Capital Director 2. Head of Compliance & Governance Division 3. Head of Internal Audit Division 4. Head of Legal Division 5. Head of Human Capital Division 6. Head of Corporate Risk Management Division 7. Head of Sharia Supporting Business Division
Invitee	<ol style="list-style-type: none"> 1. Risk Monitoring Committee (Board of Commissioners) 2. Sharia Supervisory Board

Duties, Authorities and Responsibilities of the Financing Policy Committee

The Financing Policy Committee (KKB) has the following functions in its activities:

1. Provide input to the Board of Directors in the preparation of the Bank Financing Policy (KPB), especially those relating to the formulation of the principle of caution in financing;
2. Oversee that CDE can be applied and implemented consistently and formulate solutions if there are obstacles or obstacles in the application of CDE;
3. Conduct periodic reviews of CDE and provide advice to the Directors if necessary changes or improvements to CDE;
4. Monitor and evaluate the development and quality of the overall financing portfolio;
5. Monitor and evaluate the correctness of the implementation of the authority to decide on financing;
6. Monitor and evaluate the correctness of the granting process, developments and quality of financing provided to parties related to the Bank and certain large debtors;
7. Monitor and evaluate compliance with statutory provisions and other regulations in the implementation of the provision of financing;
8. Monitor and evaluate the settlement of problem financing in accordance with the Bank Financing Policy (KPB);
9. Monitor and evaluate the Bank's efforts to meet the adequacy of the allowance for financing write-offs;
10. Evaluate and ensure that the financing provided is in accordance with the Legal Provision Limit (BMPP);
11. Ensure the direction of financing policies in line with the Corporate Plan and Bank Business Plan (RBB);
12. Determine approval/rejection of cooperation offers for program financing distribution;
13. Evaluate the implementation of corporate governance to create a sound financing principle;
14. Ensure the implementation of the provision of financing approvals in accordance with the limits of authority.

Profile of Members of the Financing Policy Committee

Profiles of the Members of the Financing Policy Committee can be seen in the Profiles of the Directors and the Profiles of Division Leaders in the Company Profile Chapter in this Annual Report.

Implementation of Duties of the Financing Policy Committee

During 2020, the Financing Policy Committee has carried out its duties, among others, by compiling and supervising the implementation of Bank Financing Policies (KPB), evaluating the development and quality of the overall financing portfolio and ensuring that the direction of financing policies is in line with the Corporate Plan and Bank Business Plan (RBB).

Product, Network, and Procedure Committee

PRODUCT, NETWORK, AND PROCEDURE COMMITTEE FOR PRODUCTS

PJP Committee for Products was formed in order to manage policies and monitor products to ensure success in developing and evaluating products on target according to the Bank's business plan.

Structure and Membership of the Product, Network and Procedure Committee For Product

Position	Accorded By
Head of Committee	Risk Management Director
Interim Head of Committee	-
Secretary	Head of Product Development & Policy Division
Permanent Members	<ol style="list-style-type: none"> 1. Medium Corporate Director 2. Retail Consumer & Sharia Business Director 3. Finance Director 4. Operations Director 5. Head Head of Compliance & Governance Division 6. Head of Information Technology Division
Non Permanent Members	<ol style="list-style-type: none"> 1. Division Heads of the related business groups 2. Division Heads of the related supporting business group 3. Branch Managers and external parties, if required

Duties, Authority, and Responsibilities of Product, Network and Procedure Committee For Product

Duties:

1. Discuss, establish and evaluate business strategies through products/activities both retail and corporate segments.
2. Discuss and stipulate integrated business development including product development, business processes, tariffs, infrastructure, facilities and infrastructure as well as business supporting technology through comprehensive testing.
3. Monitor the results of business strategy performance and make decisions on the sustainability of the product/activity on the recommendation of the product owner/initiator.
4. Discuss and resolve strategic business problems.

Responsibilities:

1. Carry out tasks, especially in relation to the development of products/activities in a professional, optimal, accurate, safe and competitive manner.
2. Ensure that product/activity development and policies are in accordance with established business strategies.

Product, Network and Procedure Committee For Product 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.

Implementation of Duties of The Product, Network and Procedure Committee For Product

No	PJP Committee For Product	Agenda	Material Owner Initiator Division	Total Agenda	Results of the PJP Committee For Product	Attendance
1	PJP Committee For Product #01 May 26, 2020	1. Product Proposal of the BPRS APEX Sharia Business Unit	Sharia Business Division	1	Approved in the PJP Committee For Product Meeting	85%

PRODUCT, NETWORK, AND PROCEDURE COMMITTEE FOR NETWORK

The Network Committee has the role of compiling 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.

Structure and Membership of the Product, Network and Procedure Committee For Network

Head of Committee	Finance Director
Interim Head of Committee	IT and Operations Director
Secretary	Head of the Strategic Planning and Performance Management Division
Permanent Members	<ul style="list-style-type: none"> - Compliance and Risk Management Director - Head of Service Quality Assurance Division - Head of General Division - Head of Human Capital Division - Head of the Financial Control Division - Head of Service Fund and E-Banking Division - Head of the Information Technology Division
Non Permanent Members	<ul style="list-style-type: none"> - Head of Corporate Risk Management Division - Head of Compliance & Governance Division - Head of Legal Division
Invitee	- Related Branch Manager (if needed)

Duties, Authority, and Responsibilities of Product, Network and Procedure Committee For Network

1. Formulate policies and network development strategies 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 on 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;
9. Establish and decide on a customized network development policy and strategy;
10. Deciding on the type and number of networks included in the Bank's Business Plan;
11. Decide on changes in status/closure of office networks after evaluation by the related unit;
12. Determine the amount of investment and the budget for opening, changing status and/or closing the network;
13. Determine the boundaries of the division of areas and organizational structure on the network;
14. Decide on the results of network performance optimization;
15. Decide the class of branches and sub-branches of the network classification results;
16. Determine the classification system and final mapping results.

Product, Network and Procedure Committee For Network Members Profile

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.

Implementation of Duties of the Product, Network and Procedure Committee For Network

No	PJP Committee For Network	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
1	PJP Committee For Network #1 February 28, 2020	<ol style="list-style-type: none"> 1 Relocation of KCP Glenmore + ATM Banyuwangi Branch 2 Relocation of KCP Wongsorejo + ATM Banyuwangi Branch 3 Relocation of KK Pelindo, Banyuwangi Branch 4 Relocation of KCP Maron + ATM Kraksaan Branch 5 Relocation of KCP Tumpang + ATM Malang Branch 6 Relocation of KCP Paron + ATM Ngawi Branch 7 Relocation of KCP Syariah Sampang + ATM Surabaya Sharia Branch 8 Relocation of KCP Srengat + ATM Blitar Branch 9 Relocation of KCP Mojoagung + ATM Jombang Branch 10 Relocation of KCP Kedungadem + ATM Bojonegoro Branch 11 Relocation of KK Jabon + ATM Sidoarjo Branch 12 Relocation of Kalibaru KK + Banyuwangi Branch ATM 13 The opening of the Jombang Branch Hospital ATM 14 The opening of the Jombang branch of the National Education Office 15 Opening of ATM Rejoso, Jombang Branch 16 The opening of the Kabuh ATM, Jombang Branch 17 Opening of Mandatory Payment Points (Public Service Mall) 18 Relocation of Pelindo ATM Gresik Branch 	Strategic Planning & Performance Management Division	29	Of the 29 agendas, it was approved in the PJP Committee for the Network field of 20 agendas	94%

No	PJP Committee For Network	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
		19 The opening of the Magetan Branch Sarangan ATM				
		20 Relocation of ATM Indomaret Geneng, Ngawi Branch				
		21 Opening of ATM Kec. Kepohbaru, Bojonegoro Branch				
		22 Opening of the Bojonegoro branch of the Malo ATM				
		23 Opening of the Padangan Regional Hospital ATM, Bojonegoro Branch				
		24 Opening of the Bojonegoro Branch Public Service Mall ATM				
		25 Opening of Bojonegoro Branch Cooperative Office ATM				
		26 Relocation of the Main Branch Giant ATM				
		27 Opening of Lamongan Branch Alfamart ATM				
		28 Opening of BKD Pamekasan Branch Payment Point				
		29 Relocation of Fave Hotel ATM Sidoarjo Branch				
2	PJP Committee For Network #2 May 18, 2020	1 Relocation of KC Syariah Gresik + ATM	Strategic Planning & Performance Management Division	11	Approved in the PJP Committee for Network	94%
		2 Relocation of KC Dr Soetomo + ATM				
		3 Relocation of Mas Mansyur KCP + Main Branch ATM				
		4 Relocation of KCP Wiyung + ATM Main Branch				
		5 Opening of PP Pulmonary Hospital + Main Branch ATM				
		6 Relocation of KCP Jayanegara + ATM Mojokerto Branch				
		7 Relocation of Puger KK + Jember Branch ATM				
		8 Relocation of KK Jabon + ATM Sidoarjo Branch				
		9 Relocation of Regency Head Office + Opening of PP BPPKAD Sumenep Branch				
		10 Relocation of Pelindo KK + Silver Branch ATM				
		11 Replacement of ATM procurement to CRM				
3	PJP Committee For Network #3 August 24, 2020	1 Determination of the location of the KC Syariah Gresik + ATM relocation	Strategic Planning & Performance Management Division	6	Approved in the PJP Committee for Network	94%
		2 Change of location for relocation of KCP Srengat + ATM Blitar Branch				
		3 Determination of the relocation location of Mas Mansyur KCP + Main Branch ATM				

No	PJP Committee For Network	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
4	PJP Committee For Network #4 October 22, 2020	4 Change of relocation location for KCP Wiyung + ATM Main Branch	Strategic Planning & Performance Management Division	28	Approved in the PJP Committee for Network	75%
		5 Relocation of KCP Kalitidu + ATM Bojonegoro Branch				
		6 Changes in the location of the opening of the Nganjuk Branch Bagor ATM				
		1 Relocation of KCP Saradan + ATM Madiun Branch				
		2 Relocation of Madiun Branch City Government ATMs				
		3 Relocation of Branch ATMs to Kec. Madiun branch curry				
		4 Relocation of KCP Wonosari + ATM Bondowoso Branch				
		5 Relocation of Sumberpucung KCP + ATM Kepanjen Branch				
		6 Relocation of KK Wonosari Branch of Kepanjen				
		7 Relocation of Branch ATMs to Samsat Talangagung Kepanjen Branch				
		8 Relocation of KCP Goranggareng + ATM Magetan Branch				
		9 Relocation of Regency Government KK + Magetan Branch ATM				
		10 Relocation of KCP Berbek + ATM Nganjuk Branch				
		11 Relocation of KCP Waru + ATM Pamekasan Branch				
		12 Relocation of Mas Mansyur KCP + Main Branch ATM				
		13 Relocation of KK Kesamben + ATM Blitar Branch				
		14 Parent Migration of Kesamben KK + PP Binangun to KCP Wlingi Blitar Branch				
		15 Increasing the Status of PP Nahdlatul Ummah to become KK Kraksaan Branch				
		16 Relocation of the old RSUD ATM to Padangan Regional Hospital, Bojonegoro Branch				
		17 Relocation of Branch ATMs to Fatma Hospital, Bojonegoro Branch				
		18 Relocation of ATM Samsat Gresik Branch				
		19 Relocation of ATM Branch to KK Kras Kediri Branch				
		20 Relocation of Branch ATMs to the Pacitan Branch of the Sawo Market ATM Center				
		21 Relocation of Maspion 4 ATM to Sukodono Market, Sidoarjo Branch				

No	PJP Committee For Network	Agenda	Material Owner Initiator Division	Total Agenda	Results of the Committee	Attendance
		22 Relocation of Maspion 5 ATM to the Sidoarjo Branch of Religion Department				
		23 Opening of Cash Offices				
		24 Opening of Payment Points				
		25 Opening CRM and ATM				
		26 Improvement of status and relocation of PP YPI Al Huda to KK Kediri Sharia Branch				
		27 Relocation of Branch ATMs to YPI Al Huda Kediri Sharia Branch				
		28 Request for opinion regarding the extension of the lease for the UMG Syariah Gresik Payment Point location				
5	PJP Committee For Network #5 November 23, 2020	1 Upgrading the status of KCP Caruban to Caruban Branch	Strategic Planning & Performance Management Division	2	Approved in the PJP Committee for Network	71%
		2 Evaluation of Batam Branch # 2				

PRODUCT, NETWORK AND PROCEDURE COMMITTEE (PJP) FOR PROCEDURE

The PJP Committee for Procedures is a committee formed by the Board of Directors to evaluate and recommend the issuance or update of the Bank's Policy and Procedure Book so that the Implementation Manual (BPP) used as a company work guideline does not deviate and is in accordance with the provisions.

Structure and Membership of the Product, Network and Procedure Committee for Procedures

Head of Committee	Director of Compliance and Risk Management
Secretary	Head of Compliance and Governance Division
Permanent Members	<ul style="list-style-type: none"> - Field Director in accordance with the material discussion - Head of the Legal Division - Head of the Company's Risk Management Division - Division leader in accordance with the material discussion
Non Permanent Members	<ul style="list-style-type: none"> - Head of the Internal Audit Division - Head of the Business Group Division regarding the discussion material - Head of the Business Support Group Division regarding the discussion material
Invitee	<ul style="list-style-type: none"> - Branch Manager (if needed) - External Parties (if needed)

Structure and Membership of the Product, Network and Procedure Committee For Procedure

1. Discuss, evaluate and recommend the publication or update of the Bank's Policy and Procedure Book so that the Implementation Guidelines (BPP) can be used as a company work guideline.
2. Determine the issuance or update of the Bank's Policy and Procedure Book that is used as a company work guideline.
3. Carry out its duties, especially in relation to publishing or updating the Bank's Policy and Procedure Book.
4. Ensure that the Bank Policies and Procedures Book that is used as a company work guideline is in accordance with the applicable laws and regulations, the bank's internal policies and the principles of corporate governance.

Product, Network and Procedure Committee For Procedure Members Profile

Profiles of members of the on Products, Networks and Procedures Committee For Procedure can be seen in the Profiles of the Directors and the Profiles of Division Leaders in the Company Profile Chapter in this Annual Report.

Implementation of Duties of the Product, Network and Procedure Committee For Procedure

No	PJP Committee For Procedures	Agenda	Material Owner Initiator Division	Total Agenda	Results of the PJP Committee For Procedures	Attendance
1	PJP Committee For Procedure #01 January 10, 2020	<ul style="list-style-type: none"> Changes in BPP Credit Program - KUR Changes in BPP for Micro & Small Productive Credit 	Product Development & Policy Division	2	Approved in the PJP Committee Meeting on Procedures	83%
2	PJP Committee For Procedure #02 January 27, 2020	<ol style="list-style-type: none"> Changes in BPP for Medium & Corporate Credit: <ol style="list-style-type: none"> Chapter II Analysis Credit Chapter VII Credit Standby Loan Chapter VIII Pattern Credits Presidential Decree Chapter XVI Credit Syndication Changes in BPP Property Credit Changes in BPP Credit Multifunction Collateral BPP BPP Administration Credit Legal 	<ol style="list-style-type: none"> Division Development Products & Policy Service Division Quality Assurance 	5	Approved in the PJP Committee Meeting on Procedures, except for the material of Chapter II Credit Analysis, Changes in BPP for Property Credit, and Changes in BPP for Multipurpose Credit, there will be rescheduling of the PJP Committee on Procedures.	100%
3	PJP Committee For Procedure #03 February 05, 2020	<ol style="list-style-type: none"> Changes in BPP Credit Intermediate & Corporation, BPP Credit Micro & Small, BPP Credit Chapter II Program Credit Analysis (CR DER) Change BPP Credit Multifunction Changes in BPP Property Credit 	Product Development & Policy Division	3	Approved in the PJP Committee Meeting on Procedures, except for the proposed addition of criteria for credit recipients with a background of business constraints in the Muhammadiyah Group so that it can be reviewed again and recommitted.	88%
4	PJP Committee For Procedure #04 March 17, 2020	<ol style="list-style-type: none"> Change BPP ALMA about Stress Liquidity Test Changes in BPP Cash Custodians Changes in BPP FI Changes in BPP Internal Audit Changes to the BPP CSR Changes in BPP Public Relations BPP Protocol Changes to the BPP Network Classification Changes to the BPP Inclusion Capital BPP Company Child BPP Account Change BPP APUPPT 	<ol style="list-style-type: none"> Treasury Division Audit Division Internal Corporate Secretary Strategic Planning & Performance Management Division Financial Control Division Compliance & Governance Division 	12	Approved in the PJP Committee Meeting on Procedures	100%

No	PJP Committee For Procedures	Agenda	Material Owner Initiator Division	Total Agenda	Results of the PJP Committee For Procedures	Attendance
5	PJP Committee For Procedure #05 March 30, 2020	<ol style="list-style-type: none"> 1. Policy Stimulus To Debtor Yang Affected Impact COVID-19 2. Changes in BPP Productive Micro & Small (East Java 200) 3. Changes in BPP Credit Program (KUR) 4. BPP & SOP Linkage Credits 5. Changes to the BPP Credit Productive Micro & Small: <ol style="list-style-type: none"> 1. Chapter 2 Types Product 2. Chapter 3 Organization & Authority Credit 3. Chapter 4 Process Giving Credit 6. Changes in BPP Credit Micro & Small 	Product Development & Policy Division	6	Approved in the PJP Committee Meeting on Procedures	100%
6	PJP Committee For Procedure #06 April 13, 2020	<ol style="list-style-type: none"> 1. Changes in BPP Credit Micro & Small (Credit Working capital Account Newspaper (Revolving) To BPR) 2. Changes in BPP Rescue & The settlement Credit 	<ol style="list-style-type: none"> 1. Product Development & Policy Division 2. Credit Rescue & Settlement Division 	2	Approved in the PJP Committee Meeting on Procedures, except for the material for Changing BPP for Credit Rescue & Settlement, so that it is reviewed	100%
7	PJP Committee For Procedure #07 May 13, 2020	<ol style="list-style-type: none"> 1. OTS for Confirmation of Bouwheer, Business Condition & Project of Prospective Debtors / Debtor 2. OTS for Collateral Assessment 	<ol style="list-style-type: none"> 1. Product Development & Policy Division 2. Service Quality Assurance Division 	2	Approving in the PJP Committee Meeting on Procedures	100%
8	PJP Committee For Procedure #08 May 19, 2020	<ol style="list-style-type: none"> 1. SOP UPAS Financing Trade Finance 2. Changes to the BPP for Customer Complaints 3. Changes to the BPP Call Center 	<ol style="list-style-type: none"> 1. Treasury Division 2. Service Quality Assurance Division 	3	Approving in the PJP Committee Meeting on Procedures	86%
9	PJP Committee For Procedure #09 May 26, 2020	<ol style="list-style-type: none"> 1. Changes in BPP Credit Micro & Small: <ol style="list-style-type: none"> 1. Chapter 2 Analysis & Proposal Credit 2. Chapter 14 Pundi Credit Golden 3. Chapter 17 Credit Linkage Program BPR 2. Changes in BPP Credit Program: <ol style="list-style-type: none"> 1. Chapter 2 Analysis Credit 2. Chapter 13 KKPA 	Product Development & Policy Division	2	Approving in the PJP Committee Meeting on Procedures	83%

No	PJP Committee For Procedures	Agenda	Material Owner Initiator Division	Total Agenda	Results of the PJP Committee For Procedures	Attendance
10	PJP Committee For Procedure #10 June 18, 2020	<ol style="list-style-type: none"> Changes in BPP Micro & Small Credit Chapter 22 Revolving Working Capital Credit to BPRs Changes in BPP for Micro & Small Productive Credit Policy Proposal on Special Interest Rates for the COVID-19 Pandemic Changes to Subsidized KPR BPP 	Product Development & Policy Division	4	Approving in the PJP Committee Meeting on Procedures	88%
11	PJP Committee For Procedure #11 June 26, 2020	<ol style="list-style-type: none"> Changes in BPP for Employee Credit Changes to the Multipurpose Credit BPP Changes to the BPP KKB Changes in BPP for Micro & Small Productive Credit Changes in BPP Stimulus for Debtors Affected by COVID-19 Chapter 3 Stimulus Policy for Debtors Affected by COVID-19 Changes to BPP & SOP for Virtual Account Crossborder ATM SOP GPN SOP 	Product Development & Policy Division	8	Approving in the PJP Committee Meeting on Procedures	100%
12	PJP Committee For Procedure #12 July 03, 2020	<ol style="list-style-type: none"> Changes to BPP IT Policy Changes in BPP DRP Changes in BPP Stimulus for Debtors Affected by COVID-19 Changes to the Multipurpose Credit BPP 	<ol style="list-style-type: none"> Information Technology Division Product Development & Policy Division 	4	Approving in the PJP Committee Meeting on Procedures	89%
13	PJP Committee For Procedure #13 July 15, 2020	<ol style="list-style-type: none"> Changes to the Operational Network BPP Changes in BPP Performance Management Changes to the BPP Change Management Office Changes in the Research BPP Changes to the BPP of the Bank's Business Plan Changes to the BPP for the Preparation of Financial Statements Changes in Accounting Policies 1 	<ol style="list-style-type: none"> Strategic Planning & Performance Management Division Financial Control Division 	7	Approving in the PJP Committee Meeting on Procedures	83%
14	PJP Committee For Procedure #14 July 16, 2020	<ol style="list-style-type: none"> SOP Research & Development SOP Financial Institution 	Divisi Tresuri	2	Approving in the PJP Committee Meeting on Procedures	66%

No	PJP Committee For Procedures	Agenda	Material Owner Initiator Division	Total Agenda	Results of the PJP Committee For Procedures	Attendance
15	PJP Committee For Procedure #15 July 28, 2020	<ol style="list-style-type: none"> 1. Change of Compliance BPP 2. Changes in BPP Conflict of Interest 3. BPP PSAK 71 4. SOP for Bank Indonesia Short Term Liquidity Loans (PLJP) 	<ol style="list-style-type: none"> 1. Compliance & Governance Division 2. Corporate Risk Management Division 	4	Approving in the PJP Committee Meeting on Procedures	100%
16	PJP Committee For Procedure #16 July 30, 2020	<ol style="list-style-type: none"> 1. Changes to the BPP Waqf for iB Barokah Money 2. Changes to the BPP APEX BPRS 	Sharia Business Division	2	Approving in the PJP Committee Meeting on Procedures	100%
17	PJP Committee For Procedure #17 August 06, 2020	<ol style="list-style-type: none"> 1. Changes in the BPP for Medium & Corporate Credit (CR & DER) 2. Changes in the BPP for Retail Credit 3. Changes to the BPP Linkage 	Product Development & Policy Division	3	Approving in the PJP Committee Meeting on Procedures	100%
18	PJP Committee For Procedure #18 September 15, 2020	<ol style="list-style-type: none"> 1. BPP of Branch Development 2. Changes to BPP BC-IT 3. Changes in BPP for Granting Credit Facilities to Employees and Personal Loan Car Allowance Program (CAP) 4. Changes in the BPP for Retail Credit related to Revolving Account Working Capital Loans to BPRS 	<ol style="list-style-type: none"> 1. Service Quality Assurance Division 2. Information Technology Division 3. Product Development & Policy Division 	4	Approving in the PJP Committee Meeting on Procedures	91%
19	PJP Committee For Procedure #19 September 24, 2020	<ol style="list-style-type: none"> 1. Changes to the BPP ATM 	E-Banking Services Fund Division	1	Approving in the PJP Committee Meeting on Procedures	100%
20	PJP Committee For Procedure #20 October 09, 2020	<ol style="list-style-type: none"> 1. Changes in BPP for Micro & Small Productive Credit Chapter 2 Types of Products 2. Changes in BPP Micro & Small Productive Credit (BUM Desa) 3. Changes in the BPP of Revolving Fund Credit 4. SOP for the East Java Electronic Loan Application 5. Changes to the Multipurpose Credit BPP 6. Changes to the BPP Credit KKB 7. Changes to the BPP for Property Credit 	Product Development & Policy Division	7	Approving in the PJP Committee Meeting on Procedures	88%

No	PJP Committee For Procedures	Agenda	Material Owner Initiator Division	Total Agenda	Results of the PJP Committee For Procedures	Attendance
21	PJP Committee For Procedure #21 October 23, 2020	<ol style="list-style-type: none"> Changes to the Western Union (WU) BPP Changes to the BPP SPAN Changes in the BPP Cash Management System (CMS) Changes in BPP Bancassurance Changes to the BPP Laku Pandai Changes to the BPP MPN Changes to BPP & SOP for Mobile Banking Changes in BPP & SOP SMS Banking (Cross Currency) Changes to the Appendix of Productive & Consumptive Credit Agreements Change BPP Cycle Flowers Plus Stimulus The settlement Credit Change BPP PPK 	<ol style="list-style-type: none"> Product Development & Policy Division Credit Rescue & Settlement Division 	12	Approving in the PJP Committee Meeting on Procedures	83%
22	PJP Committee For Procedure #22 November 05, 2020	<ol style="list-style-type: none"> Changes in BPP for Providing Credit Facilities to Employees and Personal Loan Car Allowance Program (CAP) Changes to the Multipurpose Credit BPP 	Consumer Credit Division	2	Approving in the PJP Committee Meeting on Procedures	100%
23	PJP Committee For Procedure #23 November 27, 2020	<ol style="list-style-type: none"> Changes in BPP Bank Soundness Level Changes in BPP Changes in BPP for Assessment of Branch Risk Profiles BPP KPMM according to the risk profile Changes to the Integrated BPP KPMM Integrated Risk Management BPP Middle Office SOP Changes to the Operational Risk Management BPP Changes to the BPP for Determination of Limits Changes to BPP Cooperation Plans for Conventional Divisions and Branches Changes to the BPP Mechanism for the Appointment and Use of Partner Notary Services 	<ol style="list-style-type: none"> Corporate Risk Management Division Legal Division 	10	Approving in the PJP Committee Meeting in the Field of Procedure, except for the material of Changes in BPP Cooperation Plans for Conventional Divisions and Branches and Changes in the BPP Appointment Mechanism and Use of Partner Notary Services to be reviewed and scheduled at the next Committee	100%
24	PJP Committee For Procedure #24 December 03, 2020	<ol style="list-style-type: none"> Changes in BPP Credit Risk Analysis Changes in BPP for Granting Credit Facilities to Employees and Personal Loan Car Allowance Program (CAP) 	<ol style="list-style-type: none"> Business Risk Division Consumer Division 	2	Approving in the PJP Committee Meeting on Procedures, except for the material for Changes in BPP Credit Risk Analysis to be coordinated again with related divisions.	100%
25	PJP Committee For Procedure #25 December 17, 2020	<ol style="list-style-type: none"> Rules Making Rules 	Compliance & Governance Division	1	Approving in the PJP Committee Meeting on Procedures	88%

No	PJP Committee For Procedures	Agenda	Material Owner Initiator Division	Total Agenda	Results of the PJP Committee For Procedures	Attendance
26	PJP Committee For Procedure #26 December 17, 2020	1. SOP MPN	Funds and Services Division	1	Approving in the PJP Committee Meeting on Procedures	100%
27	PJP Committee For Procedure #27 December 30, 2020	1. Change of BPP Corporate Secretary 2. Changes to the Secretarial BPP 3. Changes to the BPP of the Board of Directors 4. Changes in the BPP of the Board of Directors Committee: 1. The ALCO Committee 2. Risk Management Committee 3. ITSC 4. Credit Policy Committee 5. Personnel Committee 6. PJP Committee on Products 7. PJP Committee for Networking 8. PJP Committee on Procedures 5. Changes to the BPP Board Commissioner 6. Changes in BPP Board Committees Commissioner 7. SOP for Election Member Board Committees Commissioner 8. Changes to the BPP Anti Strategy Fraud 9. Changes to the BPP IT Policy 10. Change BPP Dataware House 11. BPP & SOP Mobile Banking (Cardless Transaction) 12. BPP ATM (Cardless Transaction)	1. Corporate Secretary 2. Information Technology Division 3. Internal Audit Division	12	Approving in the PJP Committee Meeting on Procedures	100%

Integrated Risk Management Committee

To implement a comprehensive and effective Integrated Risk Management, the Bank set a decision regarding the establishment of an Integrated Risk Management Committee for the Financial conglomerate Directors Decree Number 053/306/KEP/DIR/MR concerning Establishment of Integrated Risk Management Committee (KMRT) on December 31th, 2015.

STRUCTURE AND MEMBERSHIP OF THE INTEGRATED RISK MANAGEMENT COMMITTEE

Head and Member of Committee:

- Compliance Director of Bank Jatim as the Main Entity

Deputy Head and Member of Committee:

- Compliance Director of PT BPR Jatim (MSME Bank of East Java) as a related company/member of Financial Service Institution

Member:

- Head of Risk Management Division of Bank Jatim (concurrently serves as the Secretary of Committee)
- Head of Risk Control, Compliance, and APU PPT of PT BPR Jatim (MSME Bank of East Java)

DUTIES AND RESPONSIBILITIES OF THE INTEGRATED RISK MANAGEMENT COMMITTEE

1. Provide recommendations to the Directors of the Main Entity in the preparation and improvement of the Integrated Risk Management policy.
2. Provide recommendations to the Directors of the Main Entity in refining the strategy and risk framework based on the results of the implementation evaluation.
3. Improve the Integrated Risk Management policy on a regular basis (once a year) which is incidental as a result of changes in external and internal conditions that affect the adequacy of capital, risk profiles and ineffective implementation of Integrated Risk Management based on evaluation results.

PROFILE OF MEMBERS OF THE INTEGRATED RISK MANAGEMENT COMMITTEE

Profiles of members of the Integrated Risk Management Committee can be seen in the Profiles of the Directors and Profile of Division Leaders in the Company Profile Chapter in this Annual Report.

IMPLEMENTATION OF THE DUTIES OF THE INTEGRATED RISK MANAGEMENT COMMITTEE

During 2020, the Integrated Risk Management Committee carried out its duties, among others, to formulate and improve risk management policies.

Governance In Providing Remuneration

Basic Preparation of Remuneration Determinations

Basis for Preparation of Determination of Remuneration, namely:

1. Law Number 40 of 2007 dated August 16, 2007 concerning Limited Liability Companies;
2. Financial Services Authority Regulation (POJK) number 55/POJK.03/2016 dated December 9, 2016 concerning 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. Financial Services Authority Circular Letter Number 40/SEOJK.03/2016 dated September 26, 2016 concerning Implementation of Governance in Providing Remuneration for Commercial Banks;
5. Articles of Association of Bank Jatim.

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 procedure for implementing Malus is carried out by re-postponing or canceling remuneration which is still deferred if certain conditions occur according to point 1 above.

Remuneration and Nomination Committee

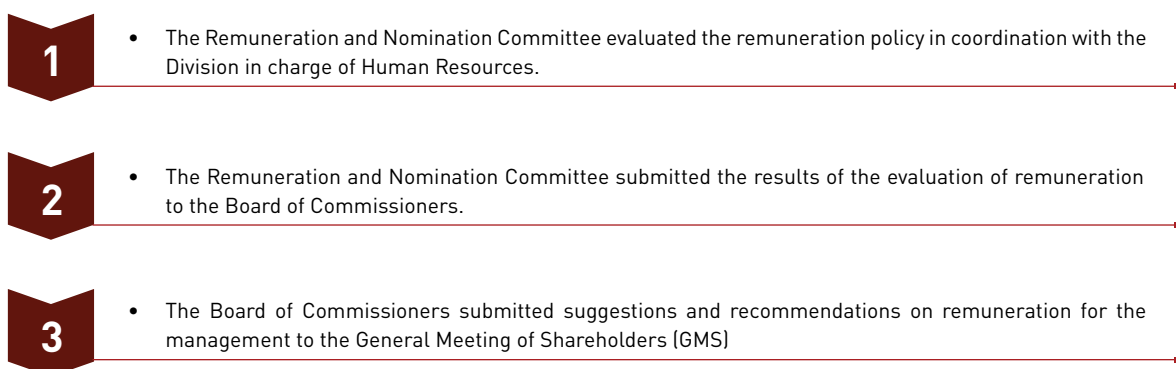
The Board of Commissioners formed a Remuneration and Nomination Committee which aimed to assist in carrying out its functions and duties in areas related to the remuneration and nomination of members of the Board of Directors and the Board of Commissioners. The remuneration and nomination committee had duties and responsibilities, including:

- √ Regarding the mandatory remuneration policy:
 1. 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;
 2. 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;

3. 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;
 4. Ensuring that the remuneration policy is in accordance with applicable regulations;
 5. Conducting periodic evaluations of the implementation of the remuneration policy;
- ✓ Regarding the mandatory nomination policy:
1. 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;
 2. 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;
 3. Providing recommendations regarding Independent Parties who would become members of the audit committee to the Board of Commissioners in accordance with applicable regulations;

Remuneration Determination Procedure

- The stages in determining the remuneration of the management can be described as follows:



External Consultant Related to the Remuneration Policy

- 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.

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.

Indicators of Remuneration Determination For the Board of Commissioners and the Board of Directors

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.

Scope of Remuneration Policy and Its Implementation

In connection with the enactment of FSA Regulation No. 45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks, PT Bank Pembangunan Daerah Jawa Timur Tbk had a remuneration policy for the Company's Management which was ratified by a Decree of the Board of Commissioners dated April 27, 2020 and a Decree of the Board of Directors dated July 01, 2020 was related to the remuneration 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.

The Bank sets the remuneration to be 2 (two), namely:

1. Permanent Remuneration

- Remuneration policy that is permanent in nature at least pays attention to: business scale, business complexity, peer group, inflation, financial condition and capacity, applicable laws and regulations. Remuneration which is permanent consists of honorarium, housing allowances, holiday allowances, leave allowances and other allowances determined by the Bank as remuneration which is not related to performance.

2. Variable Remuneration

Variable remuneration consisted of bonus due to performance for employees and bonuses for company management.

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, regular salary increases, holiday allowances (THR), annual leave, communication allowances, car allowance programs (CAP), production services and performance bonuses. 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 April 27, 2020;

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.

Remuneration and Facilities of the Board of Commissioners and the 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	Information	
		Board of Commissioners	Board of Directors
1.	Honorarium	<ul style="list-style-type: none"> - President Commissioner 45% of the President Director's honorarium - Commissioners 90% of the honorarium of the President Commissioner 	<ul style="list-style-type: none"> - President Director 100% - Director 90% of the President Director's honorarium
2.	Allowance	<ul style="list-style-type: none"> - <i>Hari Raya</i> (Big Holiday) allowance 2 (two) times the honorarium - Housing allowance was given monthly if the person did not occupy an official residence - Annual leave allowance for 1 (one) time honorarium - Communication Benefits were given on a lump sum basis every month - Retirement Award of 38 (thirty eight) times honorarium 	<ul style="list-style-type: none"> - <i>Hari Raya</i> (Big Holiday) allowance 2 (two) times the honorarium - Housing allowance was given monthly if the person did not occupy an official residence - Annual leave allowance for 1 (one) time honorarium - Communication Benefits were given on a lump sum basis every month - Retirement Award of 48 (fourty eight) times honorarium
3.	Facilities	<ul style="list-style-type: none"> - Official vehicle facilities through the Car Ownership Program (COP) - Inpatient and outpatient health facilities according to internal provisions Number: 059/003/DK/ KEP dated April 27, 2020 - Legal aid facilities in accordance with company provisions 	<ul style="list-style-type: none"> - Official vehicle facilities through the Car Ownership Program (COP) - Inpatient and outpatient health facilities according to internal provisions Number: 059/003/DK/ KEP dated 27 April 2020 - Legal aid facilities in accordance with company provisions
4.	Bonus & Tantiem	<ul style="list-style-type: none"> - Bonuses were given in cash - Tantiem was given in cash and in the form of shares issued by Bank Jatim. 	<ul style="list-style-type: none"> - Bonuses are given in cash - Tantiem is given in cash and in the form of shares issued by Bank Jatim.

Table of Nominal Amount of Remuneration for the Board of Commissioners and Directors

Total Remuneration and Other Facilities	Amount Received			
	Board of Commissioners		Board of Directors	
	Total Person	Total in IDR Million	Total Person	Total in IDR Million
Remuneration				
Honorarium	6	3.861	5	7.064
Housing Allowance	6	1.980	5	1.656
Communication allowance	6	720	5	600
Tantiem	6	10.515	5	12.682
Other Facilities in Natura Form				
Housing (cannot be owned)	-	-	-	-
Transportation of the COP Program (can be owned)	6	1.640	5	1.543
Health (cannot be owned)	6	59	5	526
Amount of Remuneration in 1 Year				
Above IDR 2 billion	4	-	5	-
Above IDR 1 billion to 2 billion	2	-	-	-
Above IDR 500 million to 1 billion	-	-	-	-
IDR 500 million and below	-	-	-	-

Public Accountant

Based on the Regulation of Financial Services Authority No. 32/POJK.03/2016 concerning the Amendments to Regulation of Financial Services Authority No. 6/POJK.03/2015 concerning the Transparency and Publication of Bank Reports, audits of Bank Jatim Financial Statements for fiscal year 2020 have been conducted by independent, competent, professional, and objective public accountants in accordance with the Professional Standards of the Public Accountant, as well as the work agreement and scope of the audit that has been determined.

In order for the audit process to be in accordance with the Professional standards of Accountants, work agreements, the scope of the audits, and could be completed in a timely manner, we routinely conduct meetings to discuss several significant matters. Bank Jatim always strives to improve the communication between the Public Accountant, Audit Committee and Management of Bank Jatim in order to minimize the obstacles that may occur during the audit process.

The appointment of the Public Accounting Firm and audit costs are in accordance with POJK No. 13/POJK.03/2017 and SEOJK No. 36/SEOJK.03/2017 and the resolution of the Annual General Meeting of Shareholders. The Public Accounting Firm and Public Accountant (partner in-charge) are registered within the Financial Services Authority.

Public Accountant Offices, Name of Accountant and Audit Fee

Audit of Bank Jatim's financial statements for the year ended on December 31st, 2020 is carried out based on Cooperation Agreement Number First Party 059/215/DIR/PKU/PKS and Second Party Number 1291220/BIS/1117/EL Dated 17 December 2020 to KAP Amir Abadi Jusuf, Aryanto, Mawar & Partners with an audit fee of Rp. 1,485,000,000 (One Billion Four Hundred Eighty Five Million Rupiah) including VAT.

Services rendered by the Public Accounting Firm to the Bank cover:

- I. Examination schedule including interim examination schedule;
- II. Resume of the results of branch checks, at least according to PBI no.14/14/PBI/2012 concerning Transparency of Bank Financial Conditions (including Sharia Business Units);
- III. Independent Auditor's Report on the Financial Statements for the period ending December 31st, 2020 with comparative figures for the period ending December 31st, 2020;
- IV. Management Letter (ML) report in Indonesian;
- V. Independent Auditor's Report on compliance with laws and regulations and internal control in accordance with Statement of Audit Standards (PSA) No. 62 in Indonesian.

KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan has communicated with the Financial Services Authority (OJK) for discussion on audit coverage of the Bank Jatim Financial Statements for the year ended on December 31st, 2020.

Table of Public Accountant Office, Accountant Name, and Audit Fee

Year	Public Accounting Office	KAP Period	Accounting Name (Responsible Partner)	AP Period	Fee Audit Service (Million Rupiah)
2020	Amir Abadi Jusuf, Aryanto, Mawar & Rekan (RSM Indonesia)	1 st period	Bimo Iman Santoso	1 st period	1.485
2019	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan	3 rd period	Gideon	2 nd period	960
2018	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan	2 nd period	Gideon	1 st period	940
2017	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan	1 st period	Ary Daniel H	1 st period	570
2016	Hendrawinata Eddy Siddharta & Tanzil	2 nd period	Rita Susilowati	2 nd period	840
2015	Hendrawinata Eddy Siddharta & Tanzil	1 st period	Rita Susilowati	1 st period	900
2014	Purwantono, Suherman & Surja (Ernst & Young)	5 th period	Sinarta	3 rd period	980
2013	Purwantono, Suherman & Surja (Ernst & Young)	4 th period	Sinarta	2 nd period	900
2012	Purwantono, Suherman & Surja (Ernst & Young)	3 rd period	Sinarta	1 st period	675
2011	Purwantono, Suherman & Surja (Ernst & Young)	2 nd period	Drs. Hari Purwantono	2 nd period	795

Other Services Provided by Accountants

In 2020, there were no other services performed by accountants and KAP apart from auditing the 2020 financial statements.

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 Risk Management Framework was contained in the Bank Jatim Risk Governance Structure which included three main parts, namely Risk Oversight, Risk Policy and Management, and Risk Identification, Measurement, Mitigation, and Control. The three main parts were supported by the Audit Unit in ensuring the effectiveness of its 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 Process As Well As Risk Management Information 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 was part of the management information system that was owned and developed in accordance with the Bank's needs in the framework of implementing effective Risk Management.
- b. As part of the Risk Management process, the Risk Management system was used to support the implementation of the processes of identification, measurement, monitoring and risk control.
- c. The Risk Management System ensured:
 - 1. Availability of accurate, complete, informative, timely, and reliable information so that it could be used by the Board of Commissioners, the Board of Directors, and the risk taker units / functions involved in the implementation of Risk Management to assess, monitor and mitigate risks faced by the Bank in terms of overall risks / composite as well as per risk and / or in the framework of the management's decision-making process.
 - 2. The effectiveness of Risk Management implementation included policies, procedures, and determination of risk limits.
 - 3. Availability of information regarding the results of the availability of information on the results (realization) of Risk Management implementation compared to the targets set by the Bank in accordance with the policies and strategies for implementing Risk Management.
- d. The Risk Management System and the resulting information were adjusted to the characteristics and complexity of the Bank's business activities and adaptive to changes.
- e. The adequacy of the coverage of information generated from the Risk Management system was reviewed periodically to ensure that the coverage was adequate in line with developments in the level of complexity of business activities.
- f. As part of the Risk Management system, Risk profile reports were prepared periodically by the Company's Risk Management Division, which was independent of the work units that carried out business activities. The frequency of submission of reports to the related Directors and Risk Management Committee had to be increased as needed, especially if market conditions change rapidly.

- g. The Risk Management System supported the implementation of reporting to the Financial Services Authority.
- h. In developing new information system technology and software, the Bank ensured that the implementation of the new information system and technology would not interfere with the sustainability of the Bank's information system.
- i. If the Bank decided to assign outsourcing workers in software development and system improvements, the Bank ensured that the decision to appoint a third party was carried out objectively and independently. The outsourcing agreement / contract had to include clauses regarding maintenance and updating as well as anticipatory steps to prevent disruptions that might occur in its operation.
- j. Before implementing the new management information system, the Bank conducted tests to ensure that the processes and outputs produced had gone through the development, testing and reassessment process effectively and accurately, and the Bank ensured that historical accounting and management data could be accessed by the system / the new software was doing well.
- k. The Bank administered and updated system documentation, which contained hardware, software, database, parameters, process stages, assumptions used, data sources, and outputs produced to facilitate inherent control and implementation of the audit trail.

Internal Control 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:

- a. 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.
- b. Comprehensive internal control system in the application of Risk Management
- c. Implementation of a review of the implementation of Risk Management

- d. 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.
- e. 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.
- f. 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 the Financial Services Authority Regulation Number 18/POJK.03/2016, credit risk defined as the arising risk from other parties which failed to fulfill their obligations including credit risk due to debtor failure, credit concentration risk, counterparty credit risk, and settlement risk. Until December 2020, Bank Jatim Management of credit risk has optimally pursued as reflected in credit risk profile rating in December 2020 results in a moderate ranking. As for the quality of credit risk management implementation related to the active supervision of the Board of Commissioners and Directors has carried out its duties aligned with its functions impact on a general the quality of credit risk management assessment of is fair so that the credit risk composite rating is ranked 3.

In terms of policy, Bank Jatim constantly reviews and updates the limits of the provision of funds following the development of businesses and organizations. As for the process of limiting the provision of funds to maintain business and organization developments. The Company's Risk Management Division also reviews and determines the risk level in determining Transaction Facilities, as well as monitoring Risk Appetite and Credit Risk Limit regularly. In terms of strengthening Credit Risk Management, Bank Jatim also formed a Credit Risk Division/ Unit specifically focused in the credit sector.

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 a risk in the balance sheet and administrative account including derivative transactions, due to overall changes in the market condition, particularly the changes risk in option prices. Market risk management aims to minimize the possibility of negative impacts due to the market changes towards Bank Jatim capital assets. Aligned with Financial Service Authority regulation, Bank Jatim market risk management as reflected in the market risk profile rating in December 2020 results in low ranking for inherent risk and fair ranking for the quality of risk management implementation, so in general the composite rating is ranked 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 is a due risk to the Bank inability to fulfill overdue obligations from cash flow funding sources and or from high-quality possibly pledged liquid assets, without disrupting business activities and financial condition of the Bank. Bank Jatim liquidity risk management reflected in the liquidity risk profile assessment in December 2020 result in classified low to moderate ranking for inherent risk and fair ranking for the quality of risk management implementation so that a liquidity risk composite rating is ranked 2.

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 Third-Party 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 (KOMENKO)
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 2020, Bank Jatim operational risk management which was reflected in the assessment of the operational risk profile was moderate for inherent risk and fair for the quality of risk management implementation so that a composite rating of 3 for operational risk could be obtained.

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

Bank carried out identification of legal risks based on risk factors which contained lawsuits and the existence of juridical weaknesses arising from formed contracts and agreements associated with products and services. Per December 2020, Bank Jatim legal risk management as reflected in the legal risk profile assessment was predicated low to moderate ranking for inherent risk and fair ranking for the quality of risk management application to obtain so that the composite rating is ranked 2.

POTENTIAL RISKS

The potential loss from legal risk is due to lawsuits as a weakened legal or juridical result, or the absence of supporting laws and regulations results in financial and non-financial losses such as:

Example of Finance:

- Expenditures arising from customer compensation
- Imposing of Fines/Sanctions for the occurrence of Lawsuits
- Loss of Credit Guarantee
- Bank Guarantee Claims

Example of Non-Finance

- Pending auction guarantee (which possibly affect the Non-Performing Loan).

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:

- Complete fulfillment of Bank Guarantee documents & requirements.
- Bank Guarantee realization procedures.
- Related to 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 (KUD).

Measurement of strategic risk and its parameters are carried out based on the Bank's performance by comparing expected results with actual results, evaluating the performance of work units and checking the progress that has been achieved with the targets set.

Strategic risk monitoring is carried out by conducting quarterly reviews for each Division and quarterly for each branch office review. Until December 2020, Bank Jatim's strategic risk management reflected in the assessment of the strategic risk profile is low to moderate for inherent risk and fair for the quality of risk management implementation, and obtain a composite rating of "2" for strategic risk.

POTENTIAL RISKS

The potential risks that might occur were:

- a. The result due to the income obtained compared to expense cost is not optimal because it found errors in decision making and business strategy process.
- b. Launch a new product without Feasibility Study, the planned analysis of acknowledging the prevention of its potential failure of new products, so unable to achieve the optimum result.
- c. Launch a new product must have a principle permit. Means, the launching within the threshold of failure if it obeys the rule result in possibly lose the opportunity to collect 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. In terms of launching a new program or product, Bank Jatim has obliged:

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 on scheduled 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 2020, Bank Jatim compliance risk management reflected in the assessment of compliance risk profiles was predicated on low to moderate for inherent and fair risk for the quality of risk management implementation so that a composite rating of "2" is obtained for compliance risk.

POTENTIAL RISKS

Bank's non-compliance with regulatory regulations and other internal regulations of banks can 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 December 2020 reputation risk measure has a Low to Moderate rating for inherent risk. While the efforts to implement reputation risk management was predicated fair by undertaken efforts to improve the reputation of the Bank so, in general, the composite rating is ranked 2.

Bank Jatim has carried out reputation risk control through Corporate secretary who holds the responsibility of implementing policies related to handling and resolving negative news or avoid counter-productive information and accomplished public service functions to implement Corporate Social Responsibility. The Corporate Social Responsibility activities are sustainably carried out and focused on four aspects including banking education, culture, health, and social aspects, including rebuilding the uninhabitable homes. Besides that, Bank Jatim continuously improves internal banking policies related to customer complaints and service to minimize the potential for reputation decline.

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.

As for complaint report from the customer, it is expected the problems can be resolved in the shortest possible time, by encouraging the Customer to not speak up about its problems on 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.

Risk Management Efforts

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.

The results of the self-assessment of the risk profile of the Bank's position as of December 2020 were rank 2 (PK-2) with an inherently low to moderate risk rating and the Quality of Risk Management Implementation (KPMR) rating, namely Fair.

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.

Acknowledging that risk management is an inseparable material in business growth and daily business banking activity, Bank Jatim has undertaken various strategic effort, includes:

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

In accordance with OJK Regulation No. 18/POJK.03/2016 concerning Implementation of Risk Management for Commercial Banks Article 23 regulated the obligation of Banks to submit Bank Risk Profile Reports to FSA every 3 (three) months (quarterly).

Based on FSA Circular No. 34/SEOJK.03/2016 dated September 1, 2016 concerning the Implementation of Risk Management for Commercial Banks, the risk ratings for Conventional Commercial Banks were categorized into 5 (five) rankings, namely 1 (low), 2 (low to moderate), 3 (moderate), 4 (moderate to high) and 5 (high) for the level of inherent risk, while the quality ranking of risk management implementation was categorized into five ratings, namely 1 (strong), 2 (satisfactory), 3 (fair), 4 (marginal) and 5 (unsatisfactory).

Type of Risk	Inherent Risk	Quality of Application of Risk Management	Composite Risk Rating
Credit Risk	Moderate	Fair	3
Market Risk	Low to Moderate	Fair	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	Fair	2
Compliance Risk	Low to Moderate	Fair	2
Reputation Risk	Low to Moderate	Fair	2
Composite Rating	Low to Moderate	Fair	2

Evaluation of Risk Management Implementation

The Bank continuously evaluated the effectiveness of the risk management system. Evaluation included adjustments to the risk strategy and framework as part of the risk management policy, the adequacy of the risk management information system as well as the adequacy of the process of identification, measurement, monitoring and risk control.

One form of evaluation on risk management policies was an evaluation of the Risk Management Policies and Standard Procedures. The Board of Commissioners played an active role in the evaluation of the risk management system by reviewing the results that had been carried out by the Board of Directors as the organ responsible for the effectiveness of the implementation of the risk management system. The evaluation results showed that the implementation of Bank Jatim risk management during 2020 was quite adequate. Evaluation of risk management implementation was carried out periodically. The results of the evaluation were then submitted to various levels of management as well as to related external parties such as the Financial Services Authority.

Internal Control System

In order to create and improve the quality of risk management implementation that supported the effectiveness of a risk-based 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.

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.

Control Environment

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 activity of the performance of Branches and Sub-Branches against the predetermined targets, was routinely carried out every 4 (four) months by the Board of Directors which was carried out on September 29, 2020 (Trimester II Review -2020). This would encourage control activities in Branches and Sub-Branches, especially in controlling the performance targets of Third Party Funds, Loans Provided, Liquidity Ratios, Earning Asset Quality, Profitability, Effectiveness and Efficiency.

However, in the event of a decline or the inability to achieve operational performance, coordination was carried out by the Board of Directors on areas that caused the decline in performance by making future improvement action plans as well as intensive monitoring.

The Internal Audit Division also checked the organizational structure at Branch Offices, Sub-Branches, and Cash Offices based on sampling which included vacancies in positions, segregation of duties, concurrent positions and competence of officers in carrying out operational activities during the General Audit.

Control of Information Systems through internal TSI examinations with the scope of Information Technology (IT) Audit covering Management & Governance; Development & Operations Process and Security Management

Documentation Control ensured that:

- a. Adequate documentation of accounting policies, procedures, systems and standards as well as an audit trail process.
- 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. In the Branch organizational structure, the functions of credit marketing, credit analyst and credit administration and business legal officers had been separated, where the marketing officer was the subordinate of the marketing supervisor; the credit analyst officer was subordinate to the credit operational supervisor and the credit, & business legal administration officer was the direct subordinate of the Sub Credit Administration & Business Legal Division Service Quality Assurance Division which in a working relationship in carrying out its duties coordinated with work / related units in Branches.

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.

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 (COSO) Internal Control Framework

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. 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

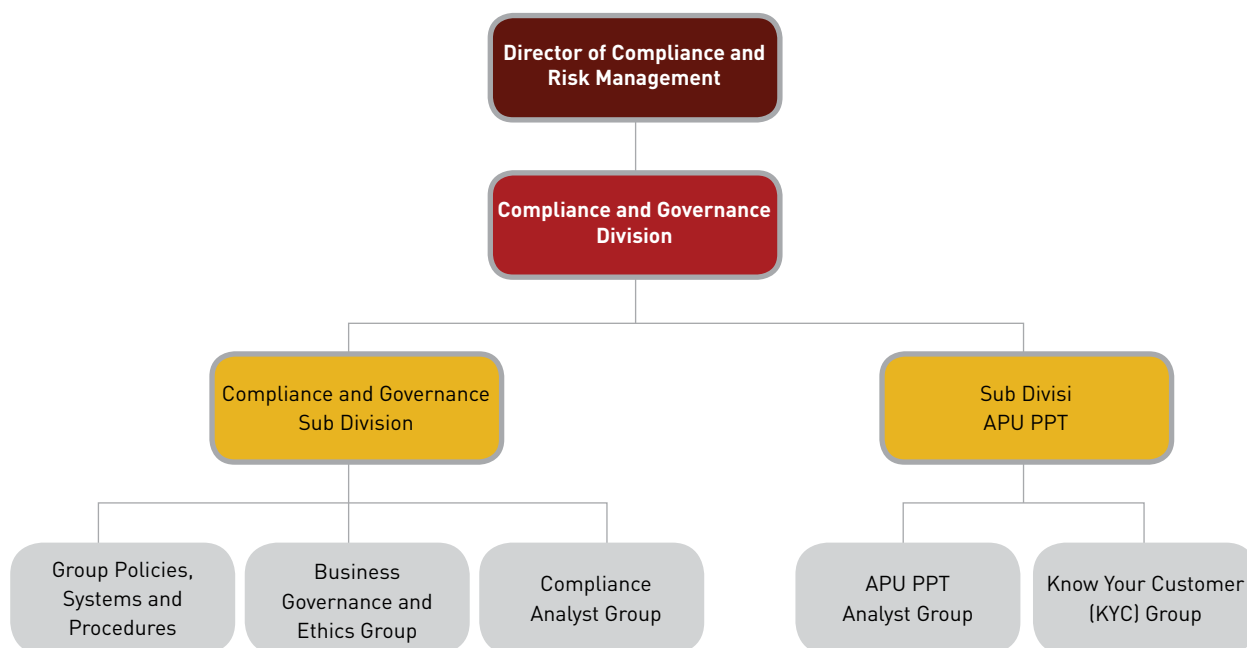
in accordance with the internal control objectives set by the Bank. Meanwhile, the Director in charge of compliance and risk management functions had to play an active role in preventing irregularities by establishing policies related to the principle of prudence and disseminating information to all 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 (SKAI)
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).

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 The Head of Compliance and Governance Division



Suprayitno

Acting. Compliance & Governance Division Leader



Indonesian citizen, domiciled in Surabaya. Born in Magetan in 1963, 57 years old as of December 2020.



Educational Background

Bachelor of Economics at Gajayana University Malang (2004)



Position History

- Joined Bank Jatim in 1990. Prior to his current position, he was the Acting Head of Watulimo Sub-Branch Trenggalek (2011), Pimcapem Watulimo Trenggalek Branch (2012), Acting Head of Kangean Branch (2014), Head of the Internal Audit Sub Division (2015), Leader of the Sub Division of Strategic Planning (2015), Leader of the Sub Division of Compliance and Governance (2016).



Basic Appointment

Since 2020 he has served as Acting Head of the Compliance and Governance Division based on Letter Number: 059/2214 / HCP / OHC / PGS dated November 9, 2020.

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 Function Competency Development

The competency development that had been followed by Compliance Function Employees during 2020 is as follows.

No	Name of Education and Competency Development	Implementation date
1	Refreshment Program for Risk Management Certification	January 27, 2020
2	Webinar Retired Not Expired	May 8, 2020
3	Sharia Banking Basic Understanding Training	September 5-6, 2020
4	Public Training on the Identification of Suspicious Financial Transactions (online)	October 19-20, 2020
5	Seminar on the Implementation of Governance	December 18, 2020

Compliance Policy

The compliance policies that have been implemented are to:

1. Build and integrate a culture of compliance with all bank business operations at every level of the organization.
2. Improve the identification, measurement, monitoring, and control processes of Compliance Risk by referring to the implementation of risk management for commercial banks in OJK regulations.
3. Assess and evaluate the effectiveness, adequacy and conformity of policies, regulations, systems and procedures that are owned by the bank with the provisions of laws and regulations.
4. Recommend updating and refinement of policies, regulations, systems and procedures that are owned by the Bank to comply with OJK regulations and laws and regulations.
5. Ensure that policies, regulations, systems and procedures, as well as the Bank's business activities are in accordance with OJK regulations and laws and regulations.
6. Ensure compliance with the Bank's commitments, outreach to all employees, and act as a contact person for Bank compliance issues for internal and external parties.

Compliance Work Strategy and Program For 2020

During 2020, the Compliance Function carried out its duties in accordance with the work program that had been previously determined. The Compliance Function strategies and work programs that have been implemented are as follows:

1. To disseminate and educate the compliance culture in work units where the risk of compliance is high.
2. To identify, measure, monitor, and control Compliance Risk by applying the Branch Compliance Information System.
3. To evaluate and provide recommendations on the effectiveness, adequacy and conformity of the Bank's policies, regulations, systems and procedures with the statutory provisions.
4. To recommend updating and refinement of policies, regulations, systems and procedures that are owned by the Bank to comply with OJK regulations and laws and regulations.
5. To monitor the adequacy and suitability of policies, regulations, systems and procedures, as well as the Bank's business activities in accordance with OJK regulations and laws and regulations.
6. To monitor the Bank's compliance with commitments to internal and external parties.
7. To build and develop an application system for the Bank's compliance with external reporting obligations.

Anti Money Laundering (APU) and Prevention of Terrorism Funding (PPT) Program

The existence of globalization in the financial services sector accompanied by the development of financial service products including marketing (multi-channel marketing), conglomeration, as well as increasingly complex activities and technology in the financial services industry in terms of products, services and use of information technology had the potential to increase the risk of utilization. the financial services industry as a means of Money Laundering and/or Terrorism Funding, with various modes of operation that were increasingly diverse and advanced.

The AML & CFT Unit Policies that had been implemented during 2020 include:

1. Improving coordination of the implementation of AML & CFT on an ongoing basis.
2. Confidentiality of data and information that must be done.
3. Reviewing policies and procedures so that they are in line with applicable regulations.
4. Implementation of an effective internal control system.
5. Implementation of risk management in the implementation of AML & CFT.
6. Optimization of information systems.
7. Improvement of human resources and training.
8. Fulfillment of bank obligations to the applicable regulations.

Funding of Social and/or Political Activities

Details related to corporate social responsibility are presented in the Corporate Social Responsibility section which is an integral part of this Annual Report.

Meanwhile, for the provision of funds for political activities, during 2020 Bank Jatim did not provide funds for political activities or to political parties.

Important Case

During 2020 Bank Jatim faced several important cases in the form of civil legal issues that have been resolved (have received a Court Decision which has permanent legal force/inkracht) and are still in the process of resolving as follows:

Table of Important Case

No.	Important Case	Total		
		Civil	Criminal	Industrial Relations
1.	Completed in 2020 (There has been a Court Decision which has permanent legal force/inkracht)	35	-	-
2.	In Process of Completion.	42	1	1
Total		77	1	1

Important Case Faced by the Company

Of the several cases faced by the Bank, there were 8 (eight) significant civil cases as follows:

Table of Important Cases Faced by the Company

No	Case/Lawsuit	Settlement Status	Risk	Management Efforts	Sanctions imposed	Claims for Material Compensation (in IDR million)
1.	Case Number 584 / Pdt.G / 2007 / PN.Sby dated November 21, 2007 between PT Hikmah Surya Jasa and Bank Jatim.	Surabaya District Court Decision: Lawsuits could not be accepted Surabaya High Court Decision: Strengthening the Verdict of the Surabaya District Court In this case awaiting inkraht status from the Surabaya High Court Decision	None	Bank Jatim made a written confirmation to the Court regarding the inkraht status of the High Court Decision.	None	IDR 3,000,-
2.	Case Number 2 / Pdt.G / 2018 / PN.Sit dated January 9, 2018 between Ermi Indarti, Totok Sunarto and Bank Jatim	Cassation Process in the Supreme Court	Damage and reputation risk	Bank Jatim submitted a counter-memorandum of cassation to support the position of Bank Jatim	None	IDR 10,000,-
3.	Case Number 13 / Pdt.G / 2018 / PN.Bjn dated May 18, 2018 between Hj. Ani Rifa'ida, Drs. H. Mahrudin Irfan M.Si against Bank Jatim	Cassation Process in the Supreme Court	Damage and reputation risk	Bank Jatim submitted a counter-appeal memorandum to support the position of Bank Jatim	None	IDR 4,032,-
4.	Bankruptcy Case Number 40 / Pdt.Sus / PKPU / 2019 / PN.Niaga Sby with applicants PT Fatma Lestari Abadi Mix and CV Azka Pelangi Brothers against PT Citra Gading Asritama (Bank Jatim debtor)	The settlement process at the Surabaya Commercial Court	Credit risk	Bank Jatim verified the debt of PT Citra Gading Asritama / Bank Jatim debtor (in bankruptcy) and has been recognized by the Curator.	None	IDR 31,103,-
5.	Case Number 1048 / Pdt.G / 2019 / PN.Sby dated October 23, 2019 between Bank Jatim against PT Pan Pacific Insurance, PT Waskita Karya and PT Duta Cipta Pakar Perkasa (in bankruptcy)	The appeal process filed by PT Pan Pacific Insurance and PT Waskita Karya	Damage and reputation risk	Bank Jatim filed a counter-memorandum of appeal to support the position of Bank Jatim	None	IDR 109,000,-
6.	Case Number 472 / Pdt.G / 2020 / PN.Sby dated May 11, 2020 between Ir. Hadi Prajoko, SH, MH, Ir. Yayuk Hermiati against Bank Jatim	First level trial process	Damage and reputation risk	Bank Jatim submitted answers and evidence to support the position of Bank Jatim	None	IDR 42,000,-

No	Case/Lawsuit	Settlement Status	Risk	Management Efforts	Sanctions imposed	Claims for Material Compensation (in IDR million)
7.	Case Number 478 / Pdt.G / 2020 / PN.Sby dated May 12, 2020 between Parkan and Bank Jatim	First level trial process	Credit, compensation and reputation risk	Bank Jatim submitted answers and evidence to support the position of Bank Jatim	None	IDR 3,215,-
8.	Case Number 626 / Pdt.G / 2020 / PN.Sby dated July 9, 2020 between PT USADA and Bank Jatim	First level trial process	Credit, compensation and reputation risk	Bank Jatim submitted answers and evidence to support the position of Bank Jatim	None	IDR 3,450,-

Important Cases Which Faced by the Board of Commissioners and the Board of Directors

During 2020, there were no legal issues being faced by the current Board of Commissioners and Directors.

Important Governments Which Faced by the Subsidiaries

During 2020, Bank Jatim does not have any Subsidiaries, so there is no information on legal issues currently being faced by the Subsidiaries.

Impact of Legal Problems nn Banks

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 is 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

Throughout 2020, there are no material administrative sanctions that affect the continuity of the business of Bank Jatim which is imposed on the company, members of the board of commissioners and directors by the capital market authority and other authorities.

Access to Information and Company Data

The public could access all financial and non-financial reports that had been submitted by Bank Jatim in a transparent manner through various available means that are timely, complete and accurate.

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 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 Relation

In maintaining the trust of shareholders and stakeholders, the Bank Jatim Investor Relations team dealt directly with investors, analysts, and shareholders to explain the Bank's performance. 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 reports.

Investor Relation Performance

Activities that had been carried out by the Investor Relations Team during 2020 are as follows:

1. Analyst Meeting Activities, in 2020, were held 4 (four) times a year

No.	Date	Place	Topic
1.	January 16, 2020	Ritz Carlton Pacific Place Jakarta	Analyst Meeting & Press Conference FY 2019 Audited
2.	April 29, 2020	Performed live streaming	Analyst Meeting & Press Conference 3M20
3.	July 29, 2020	Performed live streaming	Analyst Meeting & Press Conference 1H20
4.	October 22, 2020	Performed live streaming	Analyst Meeting & Press Conference 9M20

2. Communication with analysts, namely One on One Meeting and Conference Call.
3. Communication with Forums or Communities.

No.	Date	Agenda
1.	June 16, 2020	Capital Market Education "When Indonesia Invested" with the topic "Bank Jatim Resists Covid-19 Rate"
2.	November 19, 2020	Bank Jatim Webinar with Securities
3.	December 17, 2020	Live Streaming Fresh From Factory with the topic "Latest Performance and Forward Business Plan"

4. Organizing a Public Expose Live 2020 once a year to explain the performance of Bank Jatim on December 17, 2020 which is held in Live Steaming.
5. Participating in Capital Market activities/events to increase supply and demand as well as increase literacy and inclusion of the community, especially in East Java on October 19-24, 2020, virtually organized by the Financial Services Authority (OJK) in collaboration with the Indonesia Stock Exchange (IDX), Indonesian Central Securities Depository (KSEI) and Indonesian Clearing and Guarantee Corporation (KPEI).

Press Conference

Month	Press conference
January	Early New Year, Bank Jatim Launched New Products
	Various Awards Accompanying Bank Jatim's Satisfying Performance
	Significant Credit Growth, Bank Jatim Recorded Profit of IDR 1.38 Trillion
February	Bank Jatim Developed the Sacrifice Plan Savings with the Rumah Zakat Foundation
	Bank Jatim Recorded Proud Performance at the Beginning of the Year
March	Bank Jatim Anticipated the Prevention of Corona Virus Spread for Customer Comfort
April	Annual General Meeting of Shareholders of PT Bank Pembangunan Daerah Jawa Timur Tbk. Fiscal Year 2019
	Bank Jatim's First Quarter 2020 Performance Grew High Amid the Pandemic
May	Bank Jatim Distributed Covid-19 Assistance Funds to the East Java Provincial Government
	Bank Jatim Continued to Work to Prevent the Spread of COVID-19
	Bank Jatim Implemented Health Protocols for Employees with a Positive Indication of COVID-19
July	The Extraordinary General Meeting of Shareholders of PT Bank Pembangunan Daerah Jawa Timur Tbk. 2020
	In the second quarter of 2020, Bank Jatim earned a net profit of IDR 770.15 billion
August	Bank Jatim Ready to support the Governor of East Java in Developing Puspa Agro
	East Java Achievements Amid Pandemic
September	Collaboration between Bank Jatim and the Ministry of Industry and Trade of East Java to Maximize the East Java Trade Mission
	Bank Jatim Maximum Services That Must Be Paid "Expensive"
October	Bank Jatim Invited Students to Like to Save through the OSOA Program
	Focusing on Supporting Economic Recovery, Bank Jatim Net Profits Reach IDR 1.1 Trillion
November	Tiara Andini Enlivened the Peak of SIMPEDA Bank Jatim Draw This Year
	Regarding the Kepanjen Case, Bank Jatim Respected the Ongoing Legal Process
December	Bank Jatim Holds Public Expose, Describing Proud Performance

Bulletin

No.	Volume	Bulletin Theme
1	Edition - 15	Xpresi Magazine - Menyongsong 2020
2	Edition - 16	Xpresi Magazine - Optimis Menatap Pasca Pandemi

Report Submission Transparency

Bank Jatim always committed to always being transparent in the submission of reports, both periodic and incidental reports. The reports submitted by Bank Jatim during 2020 are as follows.

Periodic Report

No.	Type of Report	Aim	Report Period	Total
1.	Securities Holder Registration Report	BEI	Monthly	12
2.	Foreign Currency Debt Report	BEI dan OJK	Monthly	12
3.	Annual report	BEI dan OJK	Monthly	1

Incidentile Report

No.	Date	Reference number	Aim	Subject
1.	January 03, 2020	059/01/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
2.	January 23, 2020	059/041/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
3.	January 27, 2020	059/03/CSE/IVR/Srt	OJK	Submission of the Agenda for the Annual General Meeting of Shareholders
4.	January 27, 2020	059/04/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
5.	February 04, 2020	059/92/CSE/IVR/Srt	OJK	Material Information or Facts Report Material Information or Facts Report Impact of the Implementation of PSAK 71,72 and 73
6.	February 06, 2020	059/05/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
7.	February 13, 2020	059/06/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
8.	February 26, 2020	059/113/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
9.	February 27, 2020	059/07/CSE/IVR/Srt	OJK	Announcement of the GMS
10.	February 27, 2020	059/116/DIR/CSE/Srt	OJK	Submission of Evidence of Advertisement for the Announcement of the 2019 Financial Year AGMS
11.	February 28, 2020	059/117/DIR/CSE/Srt	OJK	Increase in Capital without Pre-emptive Rights as a result of the implementation of the Increase in Capital without Pre-emptive Rights
12.	March 04, 2020	059/08/CSE/IVR/Srt	OJK	Increase in Capital without Pre-emptive Rights as a result of the implementation of the Increase in Capital without Pre-emptive Rights
13.	March 09, 2020	059/134/DIR/CSE/Srt	OJK	Summons to the Annual General Meeting of Shareholders
14.	March 10, 2020	059/138/DIR/CSE/Srt	OJK	Submission of Advertisement Proof of Advertisement Proof of Invitation for the Annual General Meeting of Shareholders for the Fiscal Year 2019
15.	March 11, 2020	059/234/CSE/IVR/Srt	OJK	Submission of Annual Reports
16.	March 13, 2020	059/143/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
17.	March 18, 2020	059/11/CSE/IVR/Srt	OJK	Submission of evidence of advertisements on the final cash dividend distribution schedule
18.	March 18, 2020	059/161/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
19.	March 18, 2020	059/09/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
20.	April 02, 2020	059/295/CSE/KIN/PRO/Srt	OJK	Capital Increase without Pre-emptive Rights Implementation Plan for Capital Increase without Pre-emptive Rights
21.	April 02, 2020	059/187/DIR/CSE/Srt	OJK	Capital Increase without Pre-emptive Rights Implementation Plan for Capital Increase without Pre-emptive Rights
22.	April 02, 2020	059/185/DIR/CSE/Srt	OJK	Request for Explanation of Issuers and Public Companies in response to OJK's Letter
23.	April 02, 2020	059/13/CSE/IVR/Srt	OJK	Request for Explanation of Issuers and Public Companies in response to OJK's Letter
24.	April 02, 2020	059/15/CSE/IVR/Srt	OJK	Submission of Advertisement Evidence of Annual Financial Report Information
25.	April 27, 2020	059/229/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
26.	April 27, 2020	059/228/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares

No.	Date	Reference number	Aim	Subject
27.	April 28, 2020	059/17/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
28.	April 28, 2020	059/346/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
29.	April 28, 2020	059/347/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Share Ownership of Public Companies (KOREKSI)
30.	April 30, 2020	059/18/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
31.	May 05, 2020	059/364/CSE/IVR/Srt	OJK	Material Information or Facts Report Material Information or Facts Report Impact of the Implementation of PSAK 71,72 and 73
32.	May 05, 2020	059/363/CSE/IVR/Srt	OJK	Submission of the Agenda for the Annual General Meeting of Shareholders
33.	May 06, 2020	059/244/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
34.	May 06, 2020	059/243/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
35.	May 15, 2020	059/253/DIR/CSE/Srt	OJK	Submission of Evidence of Advertisement for the Announcement of the 2019 Financial Year AGMS
36.	May 15, 2020	059/293/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
37.	May 28, 2020	059/19/CSE/IVR/Srt	OJK	Announcement of the GMS
38.	June 02, 2020	059/305/DIR/CSE/Srt	OJK	Submission of Advertisement Proof of Advertisement Proof of Invitation for the Annual General Meeting of Shareholders for the Fiscal Year 2019
39.	June 02, 2020	059/306/DIR/CSE/Srt	OJK	Summons to the Annual General Meeting of Shareholders
40.	June 02, 2020	059/308/DIR/CSE/Srt	OJK	Increase in Capital without Pre-emptive Rights as a result of the implementation of the Increase in Capital without Pre-emptive Rights
41.	June 02, 2020	059/309/DIR/CSE/Srt	OJK	Increase in Capital without Pre-emptive Rights as a result of the implementation of the Increase in Capital without Pre-emptive Rights
42.	June 05, 2020	059/20/CSE/IVR/Srt	OJK	Submission of Annual Reports
43.	June 09, 2020	059/320/DIR/CSE/Srt	OJK	Request for Explanation of Issuers and Other Public Companies
44.	June 12, 2020	059/21/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
45.	June 16, 2020	059/326/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
46.	June 22, 2020	059/451/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
47.	July 01, 2020	059/480/CSE/IVR/Srt	OJK	Summons to the Extraordinary General Meeting of Shareholders
48.	July 01, 2020	059/347/DIR/CSE/Srt	OJK	Submission of evidence of advertisements on the schedule for the distribution of final cash dividends
49.	July 02, 2020	059/348/DIR/CSE/Srt	OJK	Submission of Evidence of Advertisement for GMS Invitation
50.	July 07, 2020	059/23/CSE/IVR/Srt	OJK	Explanation of Transaction Volatility
51.	July 10, 2020	059/365/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
52.	July 13, 2020	059/26/CSE/IVR/Srt	OJK	Information Report or Material Facts Explanation of the Impact of COVID 19 Bank Jatim
53.	July 27, 2020	059/27/CSE/IVR/Srt	OJK	Summary of Minutes of Extraordinary General Meeting of Shareholders

No.	Date	Reference number	Aim	Subject
54.	July 27, 2020	059/28/CSE/IVR/Srt	OJK	Management Change
55.	July 30, 2020	059/029/CSE/IVR/Srt	OJK	Submission of Advertisement Evidence of Interim Financial Report Information
56.	August 12, 2020	059/31/CSE/IVR/Srt	KSEI	Information Report or Material Facts Explanation of the Impact of COVID 19 Bank Jatim
57.	August 14, 2020	059/32/CSE/IVR/Srt	OJK	Minutes of the Extraordinary General Meeting of Shareholders
58.	October 27, 2020	059/35/CSE/IVR/Srt	OJK	Submission of Advertisement Evidence of Interim Financial Report Information
59.	December 02, 2020	059/805/CSE/IVR/Srt	OJK	Public Expose Implementation Plan - Annual
60.	December 11, 2020	059/608/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Ownership of Public Company Shares
61.	December 14, 2020	059/39/CSE/IVR/Srt	OJK	Public Expose Result Report - Annual
62.	December 14, 2020	059/38/CSE/IVR/Srt	OJK	Submission of Public Expose Materials -Annual
63.	December 22, 2020	059/40/CSE/IVR/Srt	OJK	Appointment / Change of Public Accountant Firm and / or Public Accountant

Anti Corruption Program

Bank Jatim had several policies related to Corruption Prevention, including the Implementation of Anti-Fraud Strategies, Code of Conduct, Conflict of Interest Guidelines, Corporate Culture, Gratification Policies, Employee Discipline Regulations, Market Ethics Code Guidelines, and Guidelines Obligation to Maintain the Confidentiality of Data and Information.

The actions taken by Bank Jatim to address issues of corrupt practices, specifically in Conflict of Interest, have been regulated as follows:

1. All parties, both employees and leaders, must comply with the code of ethics.
2. Keeping and maintaining the confidentiality of company information
3. Prohibition on all levels of the Company from giving or promising gratuities, either directly or indirectly, which are deemed to be giving bribes to civil servants or state officials if the gift is related to their position and contrary to their obligations or duties.
4. Prohibition of accepting or soliciting gratuities that are considered bribes, either directly or indirectly from any party in order to influence policies / decisions / treatment of Bank officials and employees according to their positions, powers and responsibilities.
5. The obligation to reject gratification which is considered a bribe, whether it is received directly or indirectly.

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:

- Company Relationships with Stakeholders, for example: guidelines for Bank organs and all employees.
- Behavior of internal environment (Board of Commissioners, Directors, and employees) with the external environment such as 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 includes the following aspects:

Work Ethics

Handling of Conflicts of Interest	<ul style="list-style-type: none"> a. Forms of Relationships That May Cause Conflict of Interest <ul style="list-style-type: none"> 1. Kinship; 2. Ownership Relationships; 3. Financial Relations; 4. Management Relations. b. Principles of Handling Conflict of Interest <ul style="list-style-type: none"> 1. Must prioritize the economic interests of the Bank and prevent the Bank from possible losses or the possibility of reducing the Bank's profits; 2. Obligated to disclose the condition of the conflict of interest; 3. The owner of a conflict of interest may not be involved in all stages / activities of the said decision making. c. Creating Openness in Handling and Monitoring Conflicts of Interest <ul style="list-style-type: none"> 1. Managers and employees of a bank must be open to the work they do; 2. Follow-up on public complaints regarding conflicts of interest refers to the provisions of the Whistle Blowing System. 3. Each Bank Management and Employee must ensure consistency and transparency in the process of resolving or handling conflict of interest situations in accordance with Bank regulations; 4. Every semester, Divisions and Branch Offices report activities / transactions that contain conflict of interest that occur in their respective units. d. Efforts to Handling Conflict of Interest <ul style="list-style-type: none"> 1. Handling of conflicts of interest includes the following: <ul style="list-style-type: none"> - Disclosure; 2. Through the Whistle Blowing System (WBS) Complaint facility.
Gratuity Control	<ul style="list-style-type: none"> • All Bank Officers and Employees are prohibited from giving or promising direct or indirect gratuities which are deemed to be giving bribes to civil servants or state administrators if the gift is related to their position and contrary to their obligations or duties; • All Bank Officers and Employees are prohibited from accepting and asking for 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 positions, powers and responsibilities; • All Bank Officers and Employees are required to refuse gratuities that are considered bribery, whether they are received directly or indirectly; • The categories and procedures for reporting gratuities are regulated in more detail in a Circular Letter of the Board of Directors.
Political Activities	<ul style="list-style-type: none"> • The Bank guarantees and respects the rights of Bank management and employees to exercise their political rights in accordance with the provisions of the prevailing laws and regulations. Banks will not impose their will / limit the rights of bank managers and employees as individuals to be able to channel their political aspirations; • Managers and Bank employees can individually convey political aspirations without pressure from any party in accordance with the prevailing laws and regulations; • Prohibited activities: <ul style="list-style-type: none"> 1. Bank Managers and Employees are prohibited from becoming administrators of political parties and / or / candidates / members of the legislature; 2. Bank managers and employees are prohibited from participating in Election campaigns and / or executing election campaigns; 3. Bank Managers and Employees are prohibited from making donations and other assistance in any form including the use of advice and infrastructure owned by the Bank for the activities of the Presidential Election, Regional Head Election or legislative members; 4. Based on the Law on Elections, Members of DPR, DPD and DPRD, managers and employees of Banks who are campaigning may be subject to criminal sanctions and imprisonment as regulated in the applicable Law. • Resignation and Cessation of Political Activities Resignation and Bank employees who become Political Party Managers / and / or become candidates / legislative members are required to resign and / or be dismissed from their respective positions and obtain rights according to the applicable internal Bank regulations.

Business Ethics

Bank Ethics With Employees	<p>Bank ethics with employees can be conveyed as follows:</p> <ul style="list-style-type: none"> • Fair treatment of Bank employees; • Assignments and Employee Activities Outside the Bank; • Prohibition of Employee Involvement in Bank Securities Business Activities; • Employee Discipline; • Work environment; • Employee Aspiration Channels;
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Bank Ethics With Customers	<ul style="list-style-type: none"> • Offer products and services in accordance with predetermined quality standards; • Provide the best service to customers and following up on customer complaints fairly without discrimination; • Conduct continuous promotions in a healthy, fair, honest, not misleading manner and are accepted by prevailing norms to achieve customer satisfaction and trust.
Bank Ethics With Goods and Service Providers	<ul style="list-style-type: none"> • Selection of providers of goods and services must be based on an assessment of ability, achievement, and on compliance and objectivity in the areas of standards of price, quality, availability, requirements and services provided by partners / suppliers; • The Bank does not treat goods and service providers who have become customers of the Bank in a special way; • Making payments to providers of goods and services on time as long as the invoice issued is equipped with supporting documents and is in accordance with the agreed amount; • Imposing sanctions against providers of goods and services who commit violations; • Maintaining good communication with providers of goods and services including following up on complaints and objections; • Leveraging good relationships with providers of goods and services as market intelligent and competitor intelligent; • Applying the latest goods and service procurement technology; • Every Bank employee is prohibited from requesting and / or receiving compensation, both financial and non-financial for personal gain; • It is recommended that providers of goods and services understand and follow the Bank's provisions relating to procurement and services from external parties; • Other provisions regarding the procurement of goods and services refer to the provisions regulated by the General Division.
Bank Ethics With Competitors	<ul style="list-style-type: none"> • Bank Complies with anti-monopoly laws; • Conducting market research to determine the position of competitors; • Conducting healthy and competitive competition by prioritizing the advantages of quality products and services.
Bank Ethics With Business Partners	<ul style="list-style-type: none"> • Making mutually beneficial cooperation agreements with work partners; • Upholding agreed rules and procedures; • Prioritizing the achievement of optimal results according to the best standards; • Building intensive communication with work partners to continuously improve performance on an ongoing basis;
Bank Ethics With Government and Regulators	<ul style="list-style-type: none"> • Employees are required to study, understand, and comply with all provisions, policies and / or / regulations, both internal and external, including BI, OJK, and prevailing laws and regulations of other authorities and regulators; • Employees must be aware not to cooperate with customers and / or parties who violate the law; • Irregularities, negligence or violation of employees against internal and external regulations, policies, and regulations including BI, OJK regulations, and the prevailing laws and regulations of the authorities and other regulators are subject to sanctions in accordance with the applicable procedures; • Fostering good relations and communication with the Central and Regional Governments, the Financial Services Authority, Bank Indonesia and other external parties; • Applying best standards (best practices) with due observance of applicable regulations regarding service quality, products and services, health, safety, and the environment; • Avoiding the practice of Corruption, Collusion and Nepotism (KKN) in dealing with the Government and Regulators.
Bank Ethics With Society	<ul style="list-style-type: none"> • Development of the social sector, namely activities that have an impact on improving the quality of social, cultural, religious life and social welfare; • Supporting environmental conservation efforts; • Community economic development; • Activities that are incidental in nature.
Bank Ethics With Mass Media	<ul style="list-style-type: none"> • Providing relevant and balanced information to the mass media, including general, specific, strategic and sensitive information; • The Bank appoints a spokesperson who represents the Bank in communicating with the media, namely: <ol style="list-style-type: none"> 1. President Director and Director; 2. Corporate Secretary; 3. Branch Managers. • The Bank's communication tools with the mass media consist of press conferences, press releases, interviews and media inquiries; • Receiving and follow up constructive criticism conveyed through the mass media, but still pay attention to the aspects of risk and cost.
Bank Ethics With Professional Organizations	<ul style="list-style-type: none"> • Making a mutual agreement regarding ethical standards that apply to fellow members of professional and regulatory organizations; • Upholding an attitude of partnership and equality with fellow members of professional and regulatory organizations.

Compliance With Code of Ethics

The Code of Conduct applied to all management and employees in carrying out every business activity of the Company and interacting between Commissioners, Directors and Employees with all stakeholders. The Company required the signing of an Integrity Pact statement for further implementation as well as possible. The successful implementation of the Code of Conduct was the responsibility of all leaders in their respective work units.

Dissemination of Code of Conduct

Facilities for the dissemination of Code of Conduct are as follows:



01 HUMAN CAPITAL PORTAL



02 COMPLIANCE PORTAL



03 INTEGRITY PACT



04 CAMPAIGN PROGRAM

Covering:

- i) Printed advertising (posters, banners, hanging banners, stickers, and standing mika)
- ii) Other campaigns in the form of agenda, mouse pads, flashdisks, paper fans, umbrellas, tumblers, power banks, and pins



One form of risk culture campaign is through the use of pins on the left side of the uniform

- iii) Corporate Portal and Identity
- iv) Quizzes
- v) Social Media



05 EMPLOYEE INVOLVEMENT CAMPAIGN including the Expression Songwriting Competition



06 LEADER TALKS VALUES

Efforts To Apply and Enforcement Code of Ethics

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 formulating policies, manuals / procedures and management practices. In order to build a commitment to implementing a code of ethics, all management and employees will apply a code of ethics with commitment and consistency, which is documented through the signing of the Integrity Pact or the Statement of Attitude of Bank Jatim's Personnel regarding the application 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 Ethics

Sanctions for violations of the Code of Conduct are regulated in manual book No. 059/197/DIR/HCP/KEP concerning guidelines for implementing the reward and punishment system on 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
 - Oral Reprimand
 - Warning 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 - Heavy Service Penalties

4. Types of Disciplinary Punishment

- a. Category I - Light 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 Provided

Branch/ Division	Violation	Parties Involved	Sanctions for Violations
Branch	Credit Procedure Violations	7	1 (one) level Demotion, Termination
Branch	Fraud related to customer funds	2	Termination
Branch	Conflict of Interest & violation of employee discipline	1	Demotion 2 (two) levels
Branch	Fraud related to customer funds	3	1 (one) level Demotion, Termination
Branch	Operational procedure violation	1	Termination
Branch	Credit Procedure Violations	1	Termination
Branch	Conflict of Interest in providing credit	1	Disrespectful dismissal
Branch	Operational procedure violation	4	Disrespectful dismissal, Decreased Personal Grade
Branch	Credit Procedure Violations	10	Demotion of 2 (two) levels, Written Dissatisfaction Statement, Written Warning
Branch	Credit Procedure Violations	8	Written Warning
Branch	violation of operational procedures	1	1 level demotion
Branch	violation of operational funds	2	Dissatisfaction statement in writing for 1 year
Branch	Credit Procedure Violations	1	Disrespectful dismissal
Branch	Credit Procedure Violations	5	Temporary Termination
Branch	Credit Procedure Violations	5	Temporary Termination, Level 1 Demotion, Disrespectful dismissal
Branch	Violation of employee discipline	1	Temporary Termination

Gratification Policy

Gratification Control Management

The Gratitude Control Unit (UPG) of Bank Jatim was managed by the Compliance Unit (SKK) in the Company, namely the Compliance & Governance Division. UPG functions to control gratitude in the Bank Jatim environment, which in carrying out its duties was assisted by the Human Capital Division, Corporate Secretary, Internal Audit Division and Legal Division. The organizational structure of the UPG Bank Jatim is as follows:

Position	Position in the Team
President Director	Coach/Director
Compliance and Human Capital Director	Responsible Person
Head of Compliance & Governance Division	Chairman
Head of Human Capital Division	Vice Chairman
Head of Governance Sub Division	Secretary
Corporate Secretary	Member
Head of Internal Audit Division	Member
Head of Legal Division	Member

Gratification Policy Socialization

Socialization related to gratuity control was carried out continuously simultaneously with the signing of the Integrity Pact at all levels of the organization to increase awareness. In practice, the Compliance Division carried out the outreach through zoom meetings with all work units at the Head Office. The signing was done by presenting one division at a time, so that social distancing could still be carried out.

During 2020, socialization via zoom had been carried out to approximately 600 (six hundred) employees of Bank Jatim. Other media used in disseminating gratuity control policies were through the installation of Anti-Gratuity banners at the Head Office and Branch Offices, Screen Savers, as well as appeals to all partners/partners of Bank Jatim not to provide gratuity related to religious celebrations and the new year through national newspapers.

Gratification Report of 2020

Bank Jatim employees who accepted/rejected gratuities were required to report their acceptance/ rejection to UPG by means of email no later than 7 (seven) working days after acceptance/rejection by filling out the reporting form accompanied by supporting documents.

During 2020, the number of reports of acceptance/rejection of gratuities received by UPG was 3 (three) reports. Acceptance of gratuities reported was perishable food/goods.

Whistleblowing System

In order to prevent the occurrence of cases of operational irregularities at the Bank, in particular fraud that can harm the customer or the Bank and the issuance of Circular Letter of Bank Indonesia No. 13/28/DPNP dated December 9, 2011 concerning the Implementation of Anti-Fraud Strategy for Commercial

Banks, it is necessary to increase the effectiveness of internal control in an effort to minimize the risk of fraud including implementing an anti-fraud strategy. The organizational system responsible for implementing the anti-fraud strategy at Bank Jatim is the Internal Audit Division.

The implementation of the fraud control system has been carried out in accordance with the anti-fraud strategy guidelines according to Board of Directors Decree No. 050/119/KEP/DIR/AI dated June 29, 2012 concerning the Guidelines for Implementing Anti-Fraud Strategies of PT Bank Pembangunan Daerah Jawa Timur Tbk. Every fraud incident becomes a special concern in solving the case, the Bank's management requires that all related levels within the Bank's internal environment have anti-fraud concerns. Anti-fraud awareness is continuously pursued in the form of zero tolerance for fraud. In implementing the anti-fraud strategy in the form of a fraud control system, it covers 4 (four) interrelated pillars, namely prevention; detection; investigation, reporting and sanctions; and monitoring, evaluation and follow-up.

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 Anti-Fraud 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.

Submission and Media of Violation Reports

The policy and scope of complaints are set as follows:

1. Source of whistleblowing reporting with identity
2. The Bank's management emphasizes the effectiveness of implementing a fraud control system on the disclosure of complaints.
3. 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.
4. 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)
 - Text/Phone to 081330003040
5. Fraud complaint criteria refer to the provisions and applicable laws.

Protection of Whistleblowers

As a form of the Bank's commitment to implementing anti-fraud strategies and mechanisms for complaints of violations and guaranteeing protection for reporters in good faith, the Bank is obliged to:

1. Banks are required to protect whistleblowers.
2. 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.
3. Whistleblower protection includes protection of whistleblower identity and report content.
4. 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.
5. 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.
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 in accordance with the applicable Bank Jatim Reward & Punishment Guidelines including warning letters, demotion, 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:

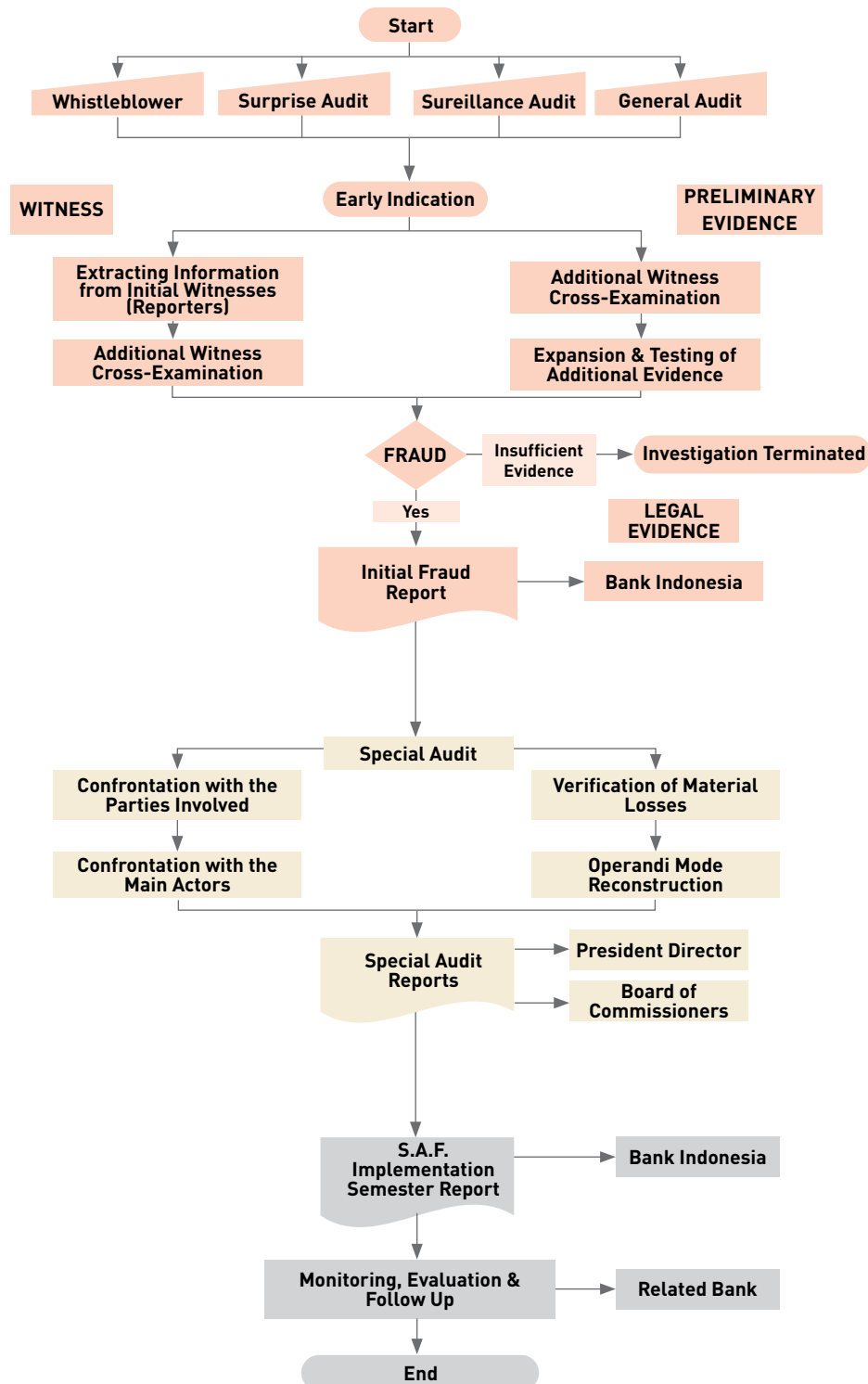
1. Undertake Anti-Fraud Strategy program, including surprise audit (Operational & Credit).
2. Conducting socialization related to the implementation of anti-fraud strategy and whistleblowing system at the exit meeting results of the audit and employees including new employees.
3. Disseminating materials related to the implementation of anti-fraud and whistleblowing strategies in the education schedule of employee promotion programs.
4. Developing the Anti-Fraud Strategy system.

Flowchart of Anti-Fraud Strategy Implementation

Operational & Financial Audit Sub Division
(Indication Deepening)

Special & Assurance Sub Division
(Special Audit Process)

Operational & Financial Audit
(Report) Sub Division



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 2020 there are 19 (nineteen) reports through whistleblowers with the following details:

Information	Number of Complaints
Number of Complaints in 2020	19 Complaints
Number of Complaints Processed	19 Complaints
Number of Complaints Processed Completely	7 Complaints
Proven	6 Complaints
Not proven	1 Complaints
Number of Complaints that have not been processed yet	12 Complaints

Sanctions/Follow Up on Complaints in 2020

Based on 6 (six) complaints that had been processed and proven were then given sanctions in accordance with the applicable provisions in the Bank Jatim reward and punishment policy.

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 Boards of Commissioners and Directors are diverse in age, gender, education, work experience and expertise.

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
At present, all Members of the Board of Commissioners of Bank Jatim are Male Gender. The 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.

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
Akhmad Sukardi	President Commissioner	62 years old	Male	<ul style="list-style-type: none"> Bachelor in Accounting Economics Master of Management Doctor of Administrative Sciences. 	Have work experience in government and banking.	Accounting, Management and Administrative Sciences
Rudi Purwono	Independent Commissioner	61 years old	Male	<ul style="list-style-type: none"> Bachelor of Economics Master of Economics Universitas Indonesia Doctor of Economics Universitas Indonesia 	Have work experience in government and banking.	Economics
Candra Fajri Ananda	Independent Commissioner	56 years old	Male	<ul style="list-style-type: none"> Bachelor of Economics Master (MSc.) Doctor (Ph.D) 	Have work experience in the fields of government, education and banking.	Economics
Muhammad Mas'ud	Independent Commissioner	56 years old	Male	<ul style="list-style-type: none"> Bachelor of Public Administration Master of Management Doctor of International Politics 	Have work experience in government and education.	Administration, Management, International Politics
Budi Setiawan	Commissioner	62 years old	Male	<ul style="list-style-type: none"> Bachelor of Engineering Master of Management Doctor of Economics 	Have work experience in the government sector.	Economics, Management
Heru Tjahjono	Commissioner	59 years old	Male	<ul style="list-style-type: none"> Bachelor of Engineering Master of Management Doctor of Environment and Development 	Have work experience in the government sector.	Management, Environment and Development

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	56 years old	Male	<ul style="list-style-type: none"> Bachelor degree in Accounting Economics; Master of Management; Accountant profession. 	Have work experience in banking.	Management, Accounting
Rizyana Mirda	Business Risk Director	51 years old	Female	<ul style="list-style-type: none"> Bachelor degree in Financial Economics; Bachelor degree in Business Administration; Master of Finance. 	Have work experience in banking.	Business Administration, Finance

Name	Position	Age	Gender	Education	Work experience	Expertise
Tonny Prasetyo	IT & Operations Director	51 years old	Male	<ul style="list-style-type: none"> Bachelor degree in Agriculture; Master of Management. 	Have work experience in banking.	Management
Ferdian Timur Satyagraha	Finance Director	38 years old	Male	<ul style="list-style-type: none"> Foundation Degree; Bachelor of Commerce; Master of Commerce. 	Have work experience in banking.	Finance
Erdianto Sigit Cahyono	Compliance and Risk Management Director	58 years old	Male	<ul style="list-style-type: none"> Bachelor degree in Accounting Economics; Master of Management. 	Have work experience in banking.	Accounting, Management

* Previously served as Commercial and Corporate Director and was appointed as President Director since 23 July 2020.

Management of Assets Report Assets of the State Administrator (LHKPN)

Bank Jatim applied the Asset Reporting of State Administrators (LHKPN) based on the Decree of the Board of Directors No. 057/401/DIR/KPT/KEP dated December 31, 2018 concerning BPP LHKPN in PT Bank Jatim Tbk. This policy regulated officials who were required to report their assets, implementation procedures, technical instructions, and sanctions imposed if the official did not carry out his obligations.

Mandatory LHKPN Report

The determination of Compulsory Report (WL) was regulated in the Corruption Eradication Commission Regulation No. 07 of 2016 concerning Procedures for Registration, Announcement and Inspection of Assets of State Administrators. As a follow-up to these regulations, in order to comply with the LHKPN obligations in an orderly manner, the LHKPN is required to report within the Bank, namely:

1. Board of Commissioners
2. Directors

LHKPN Manager

The LHKPN Report Manager consisted of Agency Admins and Work Unit Admins with the following details:

1. Agency Admin is the Compliance & Governance Division which had the following duties:
 - a. Managing the LHKPN e-Registration Application through the e-LHKPN application (e-Registration Module) in Bank Jatim.
 - b. Coordinating with the KPK regarding regulatory changes and management of e-LHKPN in Bank Jatim.
 - c. Monitoring the compliance level of Mandatory Report both in reporting and announcing LHKPN in Bank Jatim.
2. Work Unit Admin is the Human Capital Division which has the following duties:
 - a. Collecting data that was required to compulsory LHKPN through the e-LHKPN application (e-Registration Module) in Bank Jatim.
 - b. Updating the nomenclature data of work units and positions in Bank Jatim.

LHKPN reporting until the end of the 2020 period, of the total number of compulsory reports of 11 (eleven) people, all were required to report or 100% have fulfilled their reporting obligations.

Share Buyback and Bond Buyback

During 2020, the Company did not carry out share buybacks and bond buybacks.

Bank Strategic Plan

In carrying out Bank Jatim's business activities in 2020, taking into account the latest developments in the economic conditions affected by the Covid-19 pandemic, management formulated a strategic focus that will be applied to achieve sustainable business growth.

More details regarding the Bank's Strategic Plan have been presented in the Management Discussion and Analysis Chapter of this Annual Report.

Provision of Funds to Related Parties and Provision of Large Funds

No	Provision of Funds	Total	
		Debtor (person)	Nominal (IDR Million)
1	To Related Parties	131	288,324
2	To Core Debtors		
	a. Individual	50	5,766,202
	b. Group		
	Total Core Debtors	50	5,766,202

Transactions Containing Conflict of Interest

An activity was deemed to cause a conflict of interest if:

1. There was a transaction of provision of funds and procurement of goods/services between the Company and the Related Parties including the Board of Directors, Board of Commissioners, Executive Officers, Deciding Officers.
2. There were officers/employees of the Company who had family relations in degree I who were in 1 (one) line of management
3. Transactions with other affiliated parties

Transactions and activities that had the potential to cause a conflict of interest include:

1. A credit transaction was categorized as containing a conflict of interest if the Bank/decision maker is the same party or has family, ownership, management, financial or interest relations with the credit recipient.
2. Funds and services transactions were categorized as having a conflict of interest if the Bank/decision maker was the same party or has family, ownership, management, financial, or interest relations with a depositing customer or a Bank service user so that the mentioned customer was given different special terms. with treatment of customers in general.
3. Transactions of goods and services were categorized as containing a conflict of interest if the Bank or the deciding official was the same party or has family, ownership, management, financial, or interest relations with the goods / services provider so that the determination of the appointment or the winner had unfair conditions that had the potential. may harm the bank or reduce the profit of the bank.
4. Human resource management that had the potential for a conflict of interest if in a Bank there were several people who had family ties to the second degree and are at the same Bank.
5. The prohibited conflict of interest category was the practice of giving and / or receiving gifts, bribes, and the like which can reasonably be suspected of being detrimental to the interests of the Company, contrary to sound business ethics and / or contrary to applicable law.

Efforts to avoid conflicts of interest were that 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 conflicts of interest, they must immediately report to their superiors.

The main elements that must be met in managing the conflict of interest of the company, employees and company leaders are as follows:

1. Obeying and complying with applicable laws and regulations, including corporate culture
2. Avoiding activities that may cause conflict of interest
3. Keeping and maintaining the confidentiality of company information and information with parties who have a business relationship with the company. Compliance with the company's code of conduct is very important to maintain and promote the company's reputation.

Disclosure of Conflicts of Interest

1. In the event of a conflict of interest, the official and/or employee having a conflict of interest does not exercise their rights/authorities in making decisions and is obliged to disclose the conflict of interest.
2. In the event of a conflict of interest in the credit sector at the branch office, the official and/or employee having a conflict of interest shall not exercise their right/authority in making a decision.
3. In the event that a conflict of interest occurs in an employee/ official who decides according to their respective fields, the employee/official does not use their authority in making decisions and then the decision-making process is handed over to their superiors in stages.
4. If the decision still has to be made, the officer or employee involved in the decision making process must prioritize the economic interests of the Bank from possible losses or the possibility of reducing the Bank's profits.
5. Must disclose the condition of the conflict of interest which is attached with the Minutes of the Meeting containing the considerations for the decision making.

During 2020, there were no transactions that contained a conflict of interest.

Total Internal Frauds and Remedies

Internal Fraud in 1 Year	Number of cases committed by					
	Members of the Board of Commissioners and members of the Board of Directors		Permanent employee		Temporary employees	
	Previous Year (2019)	Current Year (2020)	Previous Year (2019)	Current Year (2020)	Previous Year (2019)	Current Year (2020)
Total Fraud	-	-	71	76	-	-
Has been completed	-	-	38	19	-	-
In internal settlement process	-	-	31	52	-	6
No resolution has been attempted yet	-	-	-	-	-	-
Has been followed up through a legal process	-	-	2	5	-	-

Prevention of Insider Trading

The provisions governing the actions of Insider Trading have been regulated in the Guidelines for the Implementation of Investor Relations Corporate Secretary Chapter V, which are as follows:

TRADING INSIDER CRITERIA

From the articles mentioned in the "legal basis" sub-chapter above, there are three elements that must be fulfilled in order to be considered a case of Insider trading, namely:

- The perpetrator is an insider of the Issuer or Public Company.
What is meant by "insider" based on the explanation of Article 95 of the Capital Market Law is:
 - Commissioners, Directors or Employees of the Issuer;
 - The main shareholder of the issuer;
 - 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
 - A party who within the last 6 (six) months is no longer a party as referred to in letters a, b, c above.
- Have inside information
Referred to as "material information or facts" based on Article 1 point (7) of the Capital Market Law is important and relevant information or facts concerning events, events, or facts that may affect the price of securities on the Stock Exchange and / or decisions of investors, prospective investors, investors, or other parties with an interest in the information or facts, where the material information or facts are not yet available to the public.

During 2020, Bank Jatim did not have Insider Trading.

Transparency of Financial and Non-Financial 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:

- Monthly and Quarterly Financial Statements that have been submitted and published to the Regulator and on the Bank's website.
- Annual Reports that have been submitted and published to the Regulator and on the Bank's website.
- Corporate Governance Information such as:
 - Vision and mission of the Bank
 - Composition and Profile of the Board of Commissioners and Board of Directors
 - Guidelines and Rules of Committee
 - Corporate Governance Practices
- 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.
- 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.

— Application of Guidelines Open Corporate Governance

Based on OJK Circular No. 32/EOJK.04/2015 concerning Governance Guidelines covering 5 (five) aspects, 8 (eight) principles and 25 (twenty five) recommendations for the implementation of aspects and principles of good corporate governance. The recommendations for the implementation of aspects and principles of good corporate governance in the Governance Guidelines constitute the standards for implementing the aspects and principles of good corporate governance that the Bank must apply in applying the principles of governance. The description of its application is as follows.

No	Aspect; Principle; Recommendation	Comply or Explain
A.	Aspect 1: Public Company Relations with Shareholders in Guaranteeing Shareholder Rights.	
A.1.	Principle 1: Increasing the Value of Organizing a General Meeting of Shareholders (GMS).	
A.1.1.	<p>Recommendation 1 : Public companies have a method or technical procedure for voting (open or closed voting) that promotes independence and the interests of shareholders.</p> <p>Explanation : Each share with a voting right has one vote. Shareholders can exercise their voting rights at the time of decision making, especially in voting (voting) decisions. However, the mechanism of decision-making by either open or closed ballot has not been detailed.</p> <p>Public Company is recommended to have a voting procedure in making decisions on an agenda of the GMS. The voting procedure must maintain shareholder independence or freedom. For example, in open voting, the voting is done by raising hands according to the choice instructions offered by the leadership of the GMS. Meanwhile, in closed voting, decisions are made that require confidentiality or at the request of shareholders, by using a voting card or by using electronic voting.</p>	<p>Comply Bank Jatim had rules for the general meeting of shareholders (GMS)</p> <p>Each shareholder was only given the right to cast 1 (one) vote, representing the total number of shares he owns. The vote count will be carried out using the "raise hand and hand over the ballot card" mechanism.</p>
A.1.2.	<p>Recommendation 2 : All members of the Board of Directors and Board of Commissioners of the Public Company are present at the Annual GMS.</p> <p>Explanation : The presence of all members of the Board of Directors and Board of Commissioners of the Public Company is intended so that each member of the Board of Directors and members of the Board of Commissioners can pay attention, explain, and respond directly to problems that occur or questions raised by shareholders related to the agenda at the GMS.</p>	<p>Comply At the 2020 GMS, all members of the Board of Directors and members of the Board of Commissioners attended.</p>
A.1.3.	<p>Recommendation 3 : A 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 Planning and Implementation of the General Meeting of Shareholders of Public Companies, the Public Company is obliged to prepare a summary of the minutes of the GMS in Indonesian and foreign languages (at least in English.), and announced 2 (two) working days after the GMS is held to the public, one of which is through the Public Company Website. The availability of summary minutes of the GMS on the Public Company Website provides an opportunity for absent shareholders to obtain important information in organizing the GMS easily and quickly. Therefore, the provisions regarding the minimum period of availability of the summary of the GMS minutes on the Website are intended to provide sufficient time for shareholders to obtain such information.</p>	<p>Comply Minutes of the AGMS and EGMS in Indonesian and English were available on the Website and can be downloaded until the 2019 financial year.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
A.2.	Principle 2: Improving the Quality of Public Company Communication with Shareholders or Investors.	
A.2.1.	<p>Recommendation 4 : Public Company has a communication policy with shareholders or investors.</p> <p>Explanation : The communication between the 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 public company governance. In addition, shareholders or investors can also submit their input and opinions to the management of the Public Company.</p> <p>The communication policy with shareholders or investors shows the commitment of the public company in carrying out communication with shareholders or investors. The policy can include strategies, programs, and timing of communication, as well as guidelines that support shareholders or investors to participate in the communication.</p>	<p>Comply Bank Jatim had a Communication Policy with shareholders or investors as stipulated in the Decree of the Board of Directors number 056/209 / DIR / CSE / KEP regarding BPP Investor Relations.</p>
A.2.2.	<p>Recommendation 5 : The Public Company discloses the Public Company's communication policies with shareholders or investors on the Website.</p> <p>Explanation : Disclosure of communication policies is a form of transparency of the commitment of the public company in providing equality to all shareholders or investors for the implementation of communication. Disclosure of this information also aims to increase participation and the role of shareholders or investors in the implementation of the public company communication program.</p>	<p>Comply The Communication Policy with Investors as described in the recommendation.4 could be accessed by the public through the Bank Jatim website at the following link: https://www.bankjatim.co.id/id/tata-kelola-per-company/keb-Policy</p>
B. Aspect 2: Function and Role of the Board of Commissioners		
B.1.	Principle 3: Strengthening the Membership and Composition of the Board of Commissioners.	
B.1.1.	<p>Recommendation 6 : Determination of the number of members of the Board of Commissioners considers 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 Board of Commissioners of a Public Company must refer to the provisions of the applicable laws and regulations, which consist of at least 2 people based on the provisions of the Financial Services Authority Regulation No. 33/POJK.04/2014 concerning the 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, the characteristics, capacity, and size, as well as the achievement of objectives and meeting the different business needs of the Public Company. However, an excessively large number of members of the Board of Commissioners can potentially disrupt the effectiveness of the Board of Commissioners' functions</p>	<p>Comply The determination of the members of the Board of Commissioners of Bank Jatim considered the conditions of the Public Company, including the number of assets, the achievement of company performance, and others, as well as the provisions of the Financial Services Authority Regulation Number 33 / POJK.04 / 2014 concerning the Directors and Board of Commissioners of Issuers or Public Companies. This number had also been adjusted to the number of members of the Board of Directors, as well as the factor in the effectiveness of the implementation of the supervisory function of the Board of Commissioners.</p>
B.1.2.	<p>Recommendation 7 : Determination of the composition of the members of the Board of Commissioners takes into account the diversity of expertise, 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 expertise, knowledge, and experience needed in carrying out supervisory duties and providing advice 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 related to decision making in the context of implementing the supervisory function carried out by considering a broader range of aspects.</p>	<p>Comply Referring to Deed Number 22 dated February 20, 2018 concerning the Minutes of the Annual Shareholders Meeting (GMS) for the 2017 Fiscal Year, "The Remuneration and Nomination Committee has selected internal candidates for Bank Jatim, as well as from external parties using the following criteria assessment: Integrity, Competence , Understanding of banking and macroeconomics, understanding of the East Java economy, internal and external banking regulations.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
B.2.	Principle 4: Improving the Quality of Implementation of the Duties and Responsibilities of the Board of Commissioners.	
B.2.1.	<p>Recommendation 8 : The Board of Commissioners has a selfassessment 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 collegially evaluating the performance of the Board of Commissioners. Self-assessment is intended by each member to assess the implementation of the performance of the Board of Commissioners collegially, and not to assess the individual performance of each member of the Board of Commissioners. With this self-assessment, it is expected 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>The policy can include assessment activities carried out along with their aims and objectives, periodic implementation time, and benchmarks or assessment criteria used in accordance with the recommendations given by the Public Company nomination and remuneration function, where the existence of these functions has been required in the Authority Regulations Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>	<p>Comply The Board of Commissioners had a self-assessment policy to assess the performance of the Board of Commissioners as stipulated in the Decree of the Board of Directors 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>
B.2.2.	<p>Recommendation 9 : The self-assessment policy to evaluate the performance of the Board of Commissioners is disclosed through the Annual Report of the Public Company.</p> <p>Explanation : Disclosure of the self-assessment policy on the performance of the Board of Commissioners is done not only to fulfill the transparency aspect as a form of accountability for the implementation of its duties but also to provide confidence especially to shareholders or investors of the efforts that need to be done in improving the performance of the Board of Commissioners. With this disclosure, shareholders or investors are aware of the check and balance mechanism for the performance of the Board of Commissioners.</p>	<p>Comply Guidelines for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk were 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 when involved in financial crimes.</p> <p>Explanation : The resignation policy of members of the Board of Commissioners involved in financial crimes is a policy that can increase the confidence of stakeholders in public companies 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 in the environment. The policy can be covered in the Guidelines or the Code of Ethics that applies to the Board of Commissioners.</p> <p>Furthermore, what is meant by being involved in financial crimes is the existence of the status of a convicted member of the Board of Commissioners of the competent authority. Financial crimes are referred to as manipulation and various forms of embezzlement in financial service activities as well as the Criminal Act of Money Laundering as referred to in Law Number 8 of 2010 concerning Prevention and Eradication of Criminal Acts of Money Laundering.</p>	<p>Explain The resignation policy for the Board of Commissioners was only if the person was a state official who was a member of the Board of Commissioners, then he was obliged to resign from his position in the government.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
B.2.4.	<p>Recommendation 11 : The Board of Commissioners or Committee that carries out the Nomination and Remuneration function formulates a succession policy in the Nomination process of the members of the Board of Directors.</p> <p>Explanation : Based on the provisions of the Financial Services Authority Regulation No. 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 task of preparing the policies and criteria needed in the nomination process for prospective members of the Board of Directors. One of the policies that can support the Nomination process referred to is the succession policy for members of the Board of Directors. The succession policy aims to maintain the continuity of the regeneration process or the regeneration of leadership in the company in order to maintain business sustainability and the long-term goals of the company.</p>	<p>Comply The Nomination and Remuneration function is carried out by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee prepares a succession policy in the nomination process for members of the Board of Directors and the criteria required in the nomination process for candidate members of the Board of Directors.</p>
C.	Aspect 3 : Function and Role of Directors	
C.1.	Principle 5: Strengthening the Membership and Composition of Directors.	
C.1.1.	<p>Recommendation 12 : Determination of the number of members of the Board of Directors considers the condition of the Public Company and its effectiveness in decision making.</p> <p>Explanation : As a corporate organ that is authorized in managing the company, determining the number of Directors greatly influences the performance of the Public Company. Therefore, the determination of the number of members of the Board of Directors must be done through careful consideration and must refer to the provisions of the prevailing laws and regulations, which based on Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies at least consists of 2 (two) people. In addition, the determination of the number of Directors must be based on the need to achieve the goals and objectives of the Public Company and adapted to the conditions of the Public Company which include the characteristics, capacity, and size of the Public Company and how effective the decision making of the Directors is.</p>	<p>Comply The determination of the 7 (seven) members of the Board of Directors considered the conditions of the Public Company, including the number of assets, the achievement of company performance, etc. as well as the provisions of the Financial Services Authority Regulation Number 33 / POJK.04 / 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies . This number had also been adjusted to the 5 (five) members of the Bank's Board of Commissioners and the effectiveness of decision making carried out by the Board of Directors.</p>
C.1.2.	<p>Recommendation 13 : Determination of the composition of members of the Board of Directors pays attention to the diversity of expertise, knowledge, and experience needed.</p> <p>Explanation : As the Board of Commissioners, the diversity of the composition of 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 the 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' position in achieving the goals of the Public Company. Therefore, consideration of the combination of characteristics referred to will have an impact on the accuracy of the nominating process and the appointment of individual members of the Board of Directors collegially.</p>	<p>Comply The determination of the composition of the members of the Board of Directors considered the diversity of expertise, knowledge and experience required which was clearly disclosed in the Decree of the Board of Directors number 057/206 / DIR / CSE / KEP dated June 7, 2018 concerning the Board of Directors Work Guidelines, namely Special Requirements</p>

No	Aspect; Principle; Recommendation	Comply or Explain
C.1.3.	<p>Recommendation 14 : Members of the Board of Directors who are in charge of accounting or finance have the expertise and/or knowledge in accounting.</p> <p>Explanation : Financial Report is a report of management responsibility for managing resources owned by an open 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 presentation and disclosure of Public Company Financial Statements. Based on the laws and regulations in the Capital Market sector that governs the responsibilities of the Board of Directors for the Financial Statements, the Board of Directors is jointly responsible for the Financial Statements, which are signed by the President Director and members of the Board of Directors in charge of the accounting or financial sector.</p> <p>Thus, the disclosure and preparation of financial information presented in the financial statements will highly depend on the expertise and/ or knowledge of the Directors, especially members of the Directors who are in charge of accounting or finance. The expertise and/or knowledge qualifications in accounting that are at least possessed by the members of the Board of Directors can provide confidence in the preparation of the Financial Statements so that the Financial Statements can be relied upon by the stakeholders as the basis for economic decision-making related to the said Public Company. Such expertise and/or knowledge can be proven with relevant educational background, training certification, and/or work experience.</p>	<p>Finance Director Profile</p> <p>Name : Ferdian Timur Satyagraha</p> <p>Education : <ul style="list-style-type: none"> - Bachelor's Degree, Finance, Deakin University in 2003 - Master's Degree, Business / Commerce Deakin University in 2006 </p>
C.2.	Principle 6: Improving the Quality of Performing Duties and Responsibilities of Directors.	
C.2.1.	<p>Recommendation 15 : Directors have a self-assessment policy (self-assessment) to assess the performance of the Directors.</p> <p>Explanation : As with the Board of Commissioners, the Board of Director's self-assessment policy is a guideline used as a form of accountability for collegially evaluating the performance of the Directors. Self-assessment or selfassessment is intended 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 selfassessment, it is expected 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>The policy can include assessment activities carried out along with their aims and objectives, periodic implementation time, and benchmarks or assessment criteria used in accordance with recommendations given by the public company nomination and remuneration functions, where the establishment of these functions has been required in the Authority Regulations Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>	<p>Comply</p> <p>The Board of Directors had a self-assessment policy to assess the performance of the Board of Directors as stipulated in the Decree of the Board of Directors number 059/128 / DIR / PRS / KEP dated May 11, 2020 concerning Key Performance Indicators (KPI) of 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 Directors is disclosed through the annual report of the Public Company.</p> <p>Explanation : Disclosure of the self-assessment policy on the performance of the Directors is carried out not only to fulfill the transparency aspect as a form of accountability for the implementation of its duties but also to provide important information for improvement efforts in the management of the Public Company. This information is very useful to provide confidence to shareholders or investors that there is a certainty that the management of the company will continue to be better. With this disclosure, shareholders or investors are aware of the check and balance mechanism for the Board of Directors' performance.</p>	<p>Comply</p> <p>Guidelines for the Performance Assessment of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk were disclosed in the annual report.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
C.2.3.	<p>Recommendation 17 : The Board of Directors has a policy regarding the resignation of members of the Board of Directors when involved in financial crimes.</p> <p>Explanation : The resignation policy of members of the Board of Directors involved in financial crimes is a policy that can increase the confidence of stakeholders in public companies 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 in the environment of a public company. The policy can be covered in the Guidelines or the Code of Ethics that applies to the Directors.</p> <p>Furthermore, what is meant by being involved in financial crimes is the existence of the status of a convicted member of the Board of Directors of the authorized party. Financial crimes are referred to as manipulation and various forms of embezzlement in financial service activities and Money Laundering Acts, as referred to in Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes.</p>	<p>Explain The resignation policy for the Board of Directors was only if the person was a state official who was a member of the Board of Directors, then he was obliged to resign from his position in the government.</p>
D. Aspect 4: Stakeholder Participation		
D.1.	Principle 7: Enhancing Corporate Governance Aspects through Stakeholder Participation.	
D.1.1.	<p>Recommendation 18 : Public Company has the policy to prevent insider trading.</p> <p>Explanation : Someone who has inside information is prohibited from conducting a Securities transaction using inside information, as referred to in the Capital Market Law. Public companies can minimize the occurrence of insider trading through prevention policies, for example, by strictly separating data and/or information confidential from the public nature, as well as dividing the duties and responsibilities for managing information proportionally and efficiently.</p>	Bank Jatim had a policy to prevent insider trading which is regulated in the Decree of the Board of Directors number 057/008 / DIR / KEP / TRE dated January 11, 2018 concerning the Market Code of Ethics for Treasury Activities.
D.1.2.	<p>Recommendation 19 : Public Company has anti-corruption and anti-fraud policies.</p> <p>Explanation : The anti-corruption policy is useful to ensure that the business activities of the public company 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 its own form. The policy may include among others the programs and the procedures which are carried out dealing with corrupt practices, kickbacks, fraud, bribes and/or gratuities in public companies. The scope of the policy must illustrate the prevention of public companies against in accordance with all corrupt practices, both giving and receiving from other parties.</p>	<p>Comply Bank Jatim had several policies related to Corruption Prevention, including the Implementation of Anti-Fraud Strategies, Code of Conduct, Conflict of Interest Guidelines, Corporate Culture, Gratification Policies, Employee Discipline Regulations, Market Code of Conduct Guidelines, and Obligations Guidelines. Maintain Confidentiality of Data and Information.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
D.1.3.	<p>Recommendation 20 : Public Company has a policy regarding the selection and improvement of the ability of suppliers or vendors</p> <p>Explanation : The policy on selecting suppliers or vendors is useful to ensure that the public company obtains the goods or services needed at competitive prices and good quality. While the policy to increase the ability of suppliers or vendors is useful to ensure that the supply chain runs efficiently and effectively. The ability of suppliers or vendors to supply/fulfill the goods or services needed 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 needed by the public company. The scope of this policy includes criteria in selecting suppliers or vendors, transparent procurement mechanisms, efforts to increase the ability of suppliers or vendors, and fulfillment of rights relating to suppliers or vendors.</p> <p>The Company has a policy related to the procurement of goods and services that contains the selection and improvement of the ability of suppliers or vendors as stipulated in the Procurement Guidelines standard.</p>	<p>Comply Bank Jatim had a policy regarding the procurement of goods and services regulated in the Decree of the Board of Directors number 058/099 / DIR / UMM / KEP dated April 25, 2019 concerning Guidelines for the Implementation of the Procurement of Goods / Services.</p>
D.1.4.	<p>Recommendation 21 : The Public Company has a policy regarding the fulfillment of creditor rights.</p> <p>Explanation : The policy regarding the fulfillment of creditor rights is used as a guide in making loans to creditors. The purpose of the policy is to maintain the fulfillment of rights and maintain creditor trust in the public company. The policy includes considerations in entering into agreements, as well as follow-up in fulfilling public company obligations to creditors.</p>	<p>Explain Bank Jatim explained that the creditors' rights in the Credit Agreement (PK) include;</p> <ol style="list-style-type: none"> 1. The Bank ensured that the creditor received the loan principal and interest according to the agreed schedule; 2. The Bank ensured that the creditor received the loan usage report; 3. The Bank ensures that the creditor received a fine for payments that exceed the agreed schedule; 4. The bank ensured that the principal and loan interest payments were not subject to penalties if the payment schedule fell on a holiday and was paid on the next working day;
D.1.5.	<p>Recommendation 22 : Public Company has a whistleblowing system policy.</p> <p>Explanation : A well-structured whistleblowing system policy will provide certainty of protection to witnesses or reporters for an indication of violations committed by employees or management of the Public Company. Application of the system policy will have an impact on the formation of a culture of good corporate governance. The whistleblowing system policy covers, among others, the types of violations that can be reported through the whistleblowing system, the method of complaints, the protection, and the guarantee of confidentiality of the reporter, the handling of complaints, the party that manages complaints, and the results of handling and following up on complaints.</p>	<p>Comply The Public Company had a whistleblowing system policy which was clearly disclosed in the Decree of the Board of Directors Number 050/119 / KEP / DIR / AI dated June 29, 2012 concerning Guidelines for the Implementation of the Anti-Fraud Strategy of PT Bank Pembangunan Daerah Jawa Timur Tbk, especially Chapter III Detection of Whistleblowing Policy.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
D.1.6.	<p>Recommendation 23 : Public Company has 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 longterm performance is reflected in the growth in the value of the shares or other long-term targets of the company. Long-term incentives are useful in order to maintain loyalty and provide motivation to the Directors and employees to improve their performance or productivity which will have an impact on improving company performance in the long run.</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 terms, procedures, and forms that are tailored to the long-term goals of the Public Company. This policy may include, among other things, the intent and purpose of providing long-term incentives, the terms and procedures for providing incentives, and the conditions and risks that the Public Company must pay attention to in providing incentives. The policy can also be covered by the existing Public Company remuneration policy.</p>	<p>Comply The Public Company had a policy of providing long-term incentives to Directors and employees which was clearly disclosed in Book of Changes and Additions to the Decree of the Board of Commissioners concerning the Work Guidelines of the Remuneration Committee and Nomination Guidelines number 052/220 / DK / SDM dated December 31, 2014.</p>
E.	Aspect 5 : Information Disclosure	
E.1.	Principle 8: Improving Implementation of Information Disclosure	
E.1.1.	<p>Recommendation 24 : Public Company utilizes the use of information technology more broadly than the Website as a medium of information disclosure.</p> <p>Explanation : The use of information technology can be useful as a medium of information disclosure. The disclosure of the information is carried out not only on the disclosure of information that has been regulated in the legislation, but also other information related to the public company which is considered beneficial for shareholders or investors to know. With the wider use of information technology other than the Website, it is hoped that companies can increase the effectiveness of the dissemination of company information. Even so, the use of information technology is still taking into account the benefits of using technology and company cost</p>	<p>Comply</p> <ul style="list-style-type: none"> • Youtube @Bank Jatim Bank used information technology more broadly other than the Website as a medium disclosure of information that increases effectiveness dissemination of information, including as the following; • Instagram @Bank Jatim • Facebook @Bank Jatim • Twitter @Bank Jatim
E.1.2.	<p>Recommendation 25 : The Annual Report of the Public Company discloses the final beneficial owner in the share ownership of the Public Company of at least 5% (five percent), in addition to the disclosure of the ultimate beneficial owner in the ownership of shares of the Public Company through the major and controlling shareholders.</p> <p>Explanation : The laws and regulations in the Capital Market sector that regulate the submission of the annual report of the Public Company have set the obligation to disclose information about shareholders who own 5% (five percent) or more shares of the Public Company, as well as the obligation to disclose information about the main shareholders and controllers of the Public Company, both directly and indirectly until the last beneficial owner in the ownership of said shares. In this Governance Manual, it is recommended to disclose the final beneficial owner of the shares of the Public Company at least 5% (five percent), in addition to disclosing the final beneficial owner of share ownership by the main and controlling shareholders.</p>	<p>Comply The ultimate beneficial owner of shares totaling at least 5% was the Controlling Shareholder, namely the Provincial Government of East Java.</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, among others: approval and supervision of the implementation of business strategies, governance structures and mechanisms and corporate culture	The Board of Commissioners provided opinions and suggestions on the Annual Work Plan and Budget and provides advice on matters deemed important by the Company.
Principle 2 Qualification and Composition of the Board of Commissioners.	Members of the Board of Commissioners must have the quality according to their duties and responsibilities, both individually and collegially. The Board of Commissioners must understand its role in the supervision and implementation of corporate governance and be able to carry out healthy and objective decision-making.	The Board of Commissioners of Bank Jatim had no financial relationship, management relationship, share ownership and / or family relationship with other members of the Board of Commissioners, Board of Directors and / or Controlling Shareholders or relationship with the Bank, which may affect the ability of the person concerned to act independently as stipulated in the provisions. Implementation of Good Corporate Governance for Commercial Banks and signed an Independent Statement.
Principle 3 Structure and Mechanism of the Board of Commissioners.	The Board of Commissioners must establish a structure and proper governance practices in carrying out its duties and periodically review its effectiveness.	The Board of Commissioners had a Committee under the Board of Commissioners that assisted in the implementation of the duties of the Board of Commissioners, namely the Audit Committee, the Remuneration and Nomination Committee and the Risk Monitoring Committee.
Principle 4 Board of 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 approved by the Board of Commissioners.	The Board of Directors managed the Company under the direction and supervision of the Board of Commissioners.
Principle 5 Structure of Business Group Governance.	Within a business group, the Board of Commissioners of the parent company has overall responsibility for the business group and to ensure the establishment and implementation of clean governance practices in relation to the structure, business and risks of the business group and entity. The Board of Commissioners and the Board of 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 had the knowledge and understanding of the main business and the main risks of the company, as evidenced by the passing of all the Board of Commissioners and Directors from the Fit and Proper Test. The Board of Directors and the Board of Commissioners also continue to participate in training and development to improve their abilities.
Principle 6 of the 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 run the Process of Identification, Measurement, Monitoring, Risk Control, and Risk Management Information Systems. Bank Jatim always improved the capabilities and knowledge of all employees, especially in terms of risk management, by organizing internal training and socialization in line with the internalization of the corporate culture. As well as communicating risk management to the Board of Commissioners through the Risk Monitoring Committee.
Principle 7 Identification, Monitoring and Risk 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 had been carried out, compiling a risk profile. Measurement and risk assessment in accordance with established policies and adjust 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 was submitted quarterly and the Bank's Soundness Level on a semester basis to the Board of Directors through the Risk Management Committee (Komenko) and to the Board of Commissioners through the Risk Monitoring Committee.

Principle	Explanation	Implementation at Bank Jatim
Principle 9 Compliance.	The Board of Commissioners is responsible for overseeing management related to the Bank's compliance risks. The Board of Commissioners must determine the compliance function and approve policies and processes for identification, assessment, monitoring and reporting, and providing advice on compliance risks.	The Board of Commissioners ensured the implementation of good corporate governance in business activities as well as corporate governance policies, including implementation of compliance.
Principle 10 of Internal Audit.	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 effective governance processes and the long-term soundness of the Bank.	Conducting an objective test 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 reported directly to the President Director and communicated with the Board of Commissioners through the Audit Committee.
Principle 11 of Compensation.	The remuneration structure of the Bank must support the implementation of corporate governance and risk management.	The legal basis for the remuneration of Bank Jatim referred to the Decree of the Board of Commissioners Number related to the Implementation of Governance for the Provision of Remuneration for the Board of Commissioners and the Board of Directors along with the Facilities PT Bank Pembangunan Daerah Jawa Timur Tbk
Principle 12 Disclosure and Transparency.	The implementation of governance by the Bank must be implemented in a transparent manner to Shareholders, Depositor, other relevant Stakeholders and Market Participants.	Bank Jatim constantly updated the Company's website to ensure information disclosure for stakeholders such as Annual Reports, Sustainability Reports and Public Expose

— Good Corporate Governance Assessment

Assessment Criteria

The assessment criteria was the SEOJK 13 / SEOJK.03 / 2017 working paper dated March 17, 2017 concerning the Implementation of Governance for Commercial Banks.

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 parties that carry out the assessment are related divisions including:

1. Committees of the Board of Commissioners
2. Corporate Secretary
3. Internal Audit Division
4. Compliance & Governance Division
5. Corporate Risk Management Division
6. Medium, Corporate, & Syndication Credit Division
7. Information Technology Division
8. Fund Services Division
9. Operations Division
10. Strategic Planning and Performance Management Division

The Score of Assessment

Table of GCG Assessment Results

Parameter	Value (%)	June 2020	Dec 2020
		Score x Value	
Implementation of Duties and Responsibilities of the Board of Commissioners	10	0.3	0.3
Implementation of Duties and Responsibilities of the Board of Directors	20	0.6	0.6
Completeness and Implementation of Committee Duties	10	0.3	0.26
Handling of Conflict of Interest	10	0.3	0.3
Implementation of the Bank's Compliance Function	5	0.15	0.15
Implementation of the Internal Audit Function	5	0.15	0.15
Implementation of the External Audit Function	5	0.1	0.08
Implementation of the Risk Management Function, Including the Internal Control System	7.5	0.225	0.19
Provision of Funds to Related Parties and Large Debtors (Large Exposure)	7.5	0.15	0.15
Transparency of Financial and Non-Financial Conditions, GCG Implementation Reports and Internal Reporting	15	0.3	0.25
The Bank's Strategic Plan	5	0.1	0.1
Total Skor		2.68	2.53
Ranking		3	3

Recommendations and Follow Up

During 2020, there were no recommendations from the OJK.

— Bad Corporate Governance Practices

The Company realizes that bad corporate governance practices will disrupt the Good Corporate Governance (GCG) system that has been built by the Company. Therefore, during 2020, the Company did not take any actions and policies relating to the practice shown in the table as follows:

No.	Information	Practice
1.	Reports stating that the company polluted the environment.	Nil
2.	Important matters being faced by companies, subsidiaries, members of the Board of Directors and/ or members of the Board of Commissioners were not disclosed in the Annual Report.	Nil
3.	Non-compliance in fulfilling tax obligations.	Nil
4.	Mismatch of presentation of annual reports and financial reports with applicable regulations and Indonesian GAAP.	Nil
5.	Cases related to workers and employees.	Nil
6.	There was no disclosure of operating segments in listed companies.	Nil
7.	There was a discrepancy between Annual Report hardcopy and softcopy.	Nil



Corporate Social Responsibility

“

Bank Jatim implements its social responsibility activities by referring to the principle of sustainability. Bank Jatim also always considers the impact of every decision and business activity on the community and the natural environment through transparent and ethical behavior.

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Social Responsibility Governance

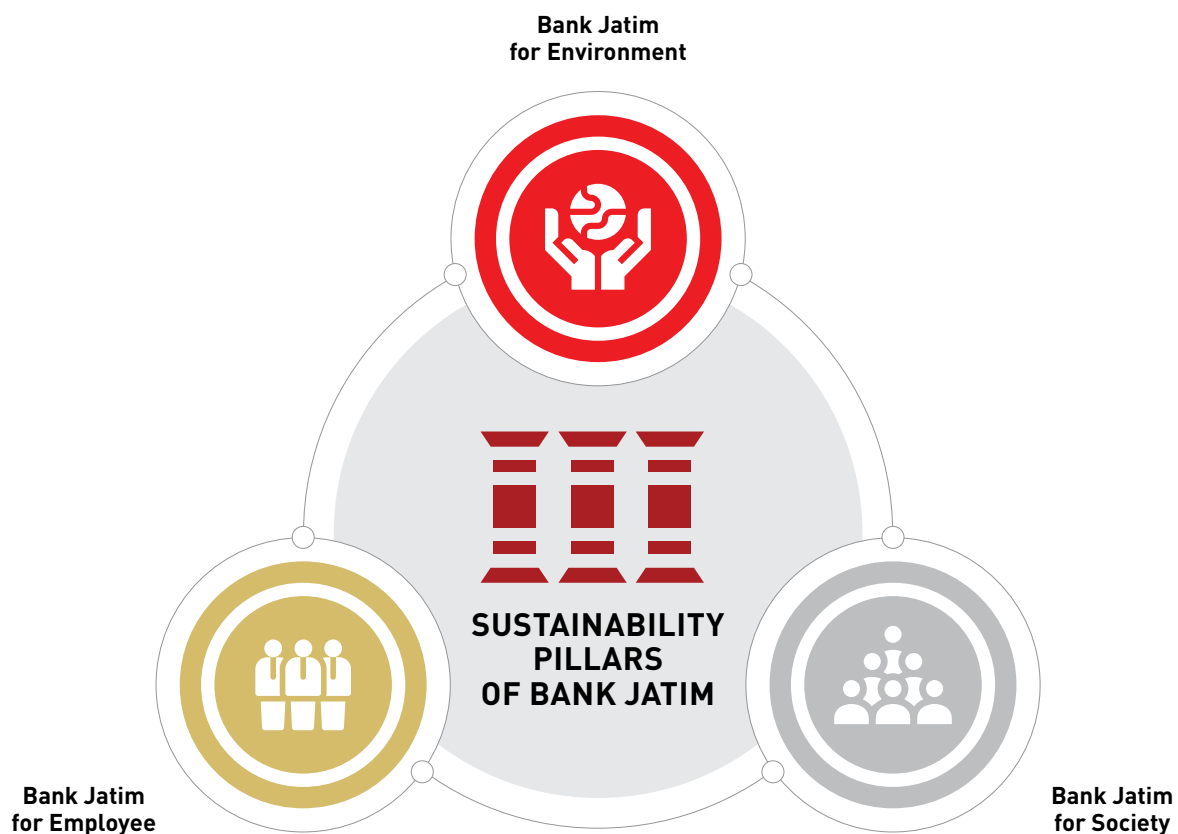
Commitment to Social Responsibility

Bank Jatim realizes that organizational governance is one of the key factors needed in the implementation of social responsibility for the impact of decisions and actions of an organization and integrates social responsibility in all Bank operational activities. Organizational governance reflects policies, implementation of strategies, targets and expected outcomes for the application of social responsibility.

Bank Jatim implements its social responsibility activities by referring to the principle of sustainability. Bank Jatim also always considers the impact of every decision and business

activity on the community 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 making and decision making that can drive the success of the Company while continuing to contribute to the achievement of sustainable development goals. Sustainable development goals include ensuring the integrity of the environment and the security, capability, welfare and quality of life of present and future generations.

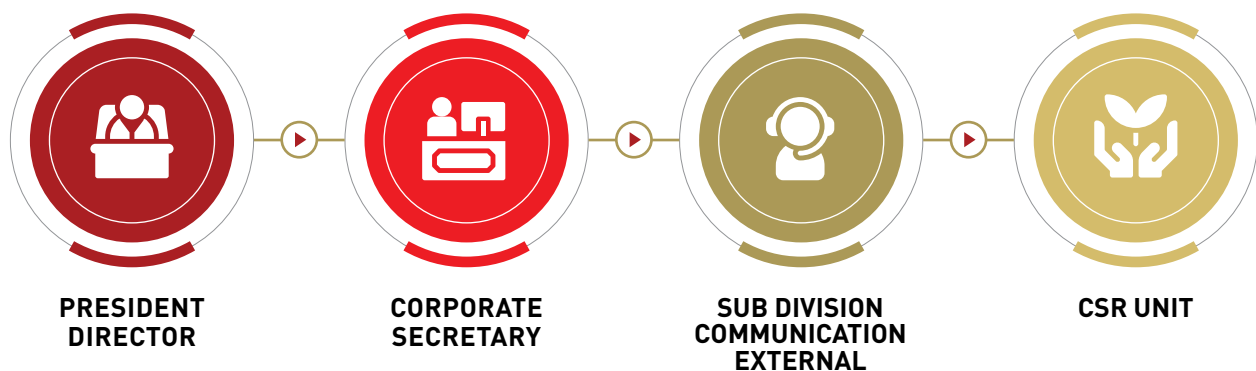




Bank Jatim's commitment to social responsibility was realized by having various policies as follows:

1. Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies;
2. East Java Provincial Regulation Number 4 of 2011 concerning Corporate Social Responsibility;
3. Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies;
4. Decree of the Board of Directors No. 053/250/KEP/DIR/PRN dated September 30, 2015 concerning the Organizational Structure and Work Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk;
5. Directors Circular No. 056/145/DIR/MJR/SE dated March 24, 2017 concerning Limits for Approval and Payment of Procurement of Goods/Services and Non-Product Costs.
6. Decree of the Board of Directors No. 059/188.3/DIR/CSE/KEP dated July 21, 2020 concerning Guidelines for the Implementation of Social and Environmental Responsibility..

Bank Jatim's CSR programs and activities are managed by the Corporate Secretary who is directly responsible to the President Director, with the composition of the governance structure as follows:



The organizational structure is equipped with various related policies that will each be described in each core subject in this section.

Due Diligent Method and Scope on Social, Economic and Environmental Impacts of Company Activities

Human Rights

Bank Jatim was fully committed to upholding Human Rights (HAM). Bank Jatim had guidelines in the application of human rights in its operational activities, among others, code of conduct, Collective Labor Agreement, Customer Protection Policy and other policies. This policy was used as a guideline for Bank Jatim in the application of social responsibility related to human rights such as the application of non-discriminatory measures, social and cultural rights, and fulfillment of employee rights.

Bank Jatim carried out regular monitoring of the implementation of social responsibility related to human rights. The Bank conducted satisfaction surveys of employees and customers every year. In addition, the Bank also provided a means of complaints in the event of operational activities where human rights violations existed. For employees, any complaints could be submitted to their direct supervisor. For customers, the Bank provided a channel for complaints against each complaint, namely through the call center, or delivered directly to the Branch Office. As for the public, regarding complaints regarding the implementation of the Bank's CSR, the public could submit them directly to the Head Office or the nearest Branch Office.

Fair Operation

Bank Jatim was committed to implementing fair operations in the Bank's operational activities in order to create clean business practices and avoid all forms of fraud. The Bank had Guidelines in implementing fair operations, among others, Code of Conduct Guidelines, Whistleblowing System, Gratification Policy, Anti-Corruption Policy, Anti-Fraud Policy and Guidelines for the Implementation of Goods / Services Procurement. These guidelines were the basis for the Bank to carry out social responsibility related to fair operations, namely in the application of anti-corruption and anti-gratification, anti-fraud, implementation of WBS, Code of Conduct and procurement of goods and services.

In order for the implementation of social responsibility related to fair operations to run well, the Bank carried out regular monitoring. The monitoring was carried out by carrying out a GCG assessment which was carried out once a year. In addition, regarding complaints about indications of violations of business practices, complaints could be submitted by coming directly or by letter to the Internal Audit Division of Bank Jatim (Jalan Basuki Rahmat No.98 - 104, Surabaya) and via SMS / Whatsapp to number 081330003040.

Environment

Guided by Law no. 32 of 2009 concerning Environmental Protection and Management, one of which was to regulate company policies on nature and the environment, as well as implement POJK Regulation No. 51/POJK.03/2017 concerning

the Implementation of Sustainable Finance for Issuer Financial Services Institutions and Public Companies, Bank Jatim was committed to implementing social responsibility in the environmental sector. This commitment was implemented by managing paper materials, managing energy and water, and providing environmentally friendly financing.

Bank Jatim monitored the effectiveness of the implementation of social responsibility related to the environment. To find out the intensity of electricity consumption (IKE), Bank Jatim conducted an audit of electrical energy at the Head Office in 2019, and the recommendations had been carried out in 2020. The energy audit was carried out by Bank Jatim as an implementation of Government Regulation No. 70 of 2009 concerning Energy Conservation, which underlined the importance of making efforts to save and better manage energy in order to respond to conditions of limited energy and reduce greenhouse gas emissions. In addition, regarding the existence of complaints or complaints against the Bank's operational activities that caused pollution to the Bank's operational environment, complaints could be submitted directly to the Head Office or the relevant Branch Offices.

Labor, Health and Safety

Bank Jatim committed to carrying out social responsibility related to employment, occupational health and safety. In its implementation, Bank Jatim was guided by the Decree of the Board of Directors No. 057/274/DIR/HCT/KEP dated August 27, 2018 concerning BPP Reward and Punishment System. And Directors Decree No. 051/161/KEP/DIR / SDM dated September 24, 2013 concerning the Grading System and its Amendments. Based on these guidelines, the implementation of social responsibility at Bank Jatim was related to employment, occupational health and safety, namely gender equality in employment opportunities, equality in education and training programs, use of local labor, remuneration, and freedom of association. Furthermore, the program for providing health facilities as well as work safety programs included BPJS Ketenagakerjaan, health care assistance, blood donors, general check-ups, glasses costs, and reimbursement for childbirth costs. Bank Jatim also provided occupational health and safety facilities and infrastructure to create a safe and comfortable work environment.

To maintain and ensure that work facilities and infrastructure are functioning properly, Bank Jatim had carried out monitoring, namely by auditing / checking periodically. An audit was held to check the appropriateness of the facilities and infrastructure so as not to cause work accidents. The work facilities audited included lifts, gondolas, light fire extinguishers, hydrants, and others. In addition, the Bank also conducted employee satisfaction surveys every year to monitor the implementation of social responsibility related to employment in the Bank which had a good impact on the Bank and its employees. Regarding complaints from employees, every employee who had complaints could directly convey to their superiors directly.

Consumer

Bank Jatim's commitment and policies in implementing corporate social responsibility in the consumer or customer sector referred to the Financial Services Authority Circular Letter Number: 2/SEOJK.07/2014 concerning Services and Resolution of Consumer Complaints to Financial Service Businesses. Based on these guidelines, the Bank had policies to carry out its social responsibility to customers by handling customer complaints, protecting customer data information and others.

To monitor that the implementation of social responsibility to customers had been going well, the Bank conducted customer satisfaction surveys every year. In addition, for every complaint from a customer, the Bank provided a complaint channel to receive every customer complaint. Complaints could be submitted via the call center or directly to the nearest branch office of Bank Jatim.

Social and Community Development

Bank Jatim had a policy regarding CSR activities in the social development aspects of the community which is regulated in the Bank Jatim Social and Environmental Responsibility BPP. This policy was used as a guideline for the Bank in implementing community social responsibility programs, namely the Social and Environmental Responsibility (TJSL) program.

Bank Jatim monitored the implementation of social responsibility related to social development as outlined in the TJSL Report. The Bank also provided a means of submitting complaints related to social responsibility programs, namely by sending complaint reports to the Head Office and the nearest Branch Office of Bank Jatim.

Important Stakeholders that Impact or Affect The Impact of The Company's Activities

In determining stakeholders, Bank Jatim identified based on the approach (proximity) and the magnitude of their influence / interest (power) on the Company. Based on this identification, Bank Jatim stakeholders and their engagement efforts are described in the following table:

Stakeholders	Priority Topics
Investors	<ul style="list-style-type: none"> - Implementation of organizational governance. - Economic performance. - Social performance. - Environmental management performance, including energy, emissions and waste. - Performance reporting.
Customer	<ul style="list-style-type: none"> - Customer protection. - The need for products and services. - Information about products, services and the Company. - Handling of complaints.
Employees	<ul style="list-style-type: none"> - Certainty and protection of labor relations. - Welfare and fulfillment of normative rights. - Competence and career development.
Public	<ul style="list-style-type: none"> - Access information and financial education. - Empowerment and improvement of welfare. - Access to education and cultural development. - Provision of infrastructure.
Regulator	<ul style="list-style-type: none"> - Compliance with law. - Commitment to banking regulators / authorities. - Continuous communication. - Clear, accurate, comprehensive and timely reporting.
Non-Governmental Organizations (NGO)	<ul style="list-style-type: none"> - Compliance with law. - Commitment to Social and Environmental Responsibility (TJSL). - Social performance. - Environmental management performance, including energy, emissions and waste.

Social Economic and Environmental Important Issues Related to The Impact of Corporate Activities

Bank Jatim held a Focus Group Discussion (FGD) which involved various internal and external stakeholders in determining important social, economic and environmental issues related to the impact of the Bank's activities. Important issues that became priorities at Bank Jatim included economic, environmental and social issues which are presented as follows:

Material Topics	Why This Topic Is Material
Economic Topics	
Economic Performance	Describe the achievements and performance of the Company during the reporting year.
Market Presence	Describes the Company's commitment to normative rights in wages.
Indirect Economic Impact	Describe the benefits of the Company's existence for the surrounding community.
Environmental Topics	
Material	Describes the Company's commitment in managing the use of material (paper), including the saving measures taken.
Energy	This illustrates the Company's concern for the management of non-renewable energy, whose availability is increasingly limited.
Water	This illustrates the Company's concern for the management of water resources, whose availability is increasingly limited
Social Topics	
Staffing	Describes the Company's commitment to the importance of managing employees / HR.
Occupational Health and Safety	Describes the Company's commitment to providing a safe and comfortable workplace.
Training and Education	Describes the Company's commitment to improving employee competence.
Local community	Describes the Company's commitment to the involvement of the surrounding community in various programs / activities
Customer privacy	Describes the Company's commitment to maintaining the confidentiality of customer data.

Scope of Social Responsibility of Good Companies that are Obligations or More Obligations

The scope of social responsibility which is an obligation is to comply with the relevant laws and regulations, including the following:

Core Subject	Related Regulations
Human rights	1. Financial Services Authority Regulation No.18 / POJK.07 / 2018 concerning Consumer Complaint Services in the Financial Services Sector. 2. Law of the Republic of Indonesia Number 39 of 1999 concerning Human Rights.
Fair Operation	Law of the Republic of Indonesia Number 20 of 2001 concerning Amendments to Law Number 31 of 1999 concerning Eradication of Corruption
Environment	Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.
Employment, Health and Work Safety	Law No. 13 of 2003 concerning Manpower
Consumer	1. Financial Services Authority Regulation No. 1 / POJK.07 / 2013 concerning Consumer Protection in the Financial Services Sector. 2. Financial Services Authority Circular Letter Number 14 / SE0JK.07 / 2014 concerning Confidentiality and Security of Consumer Data and / or Personal Information. 3. Financial Services Authority Regulation No. 18 / POJK.07 / 2018 concerning Consumer Complaint Services in the Financial Services Sector
Social and Community Development	Republic of Indonesia Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.

The scope of corporate social responsibility which is an obligation and program that exceeds the minimum responsibility is stated in the main objectives of the implementation of sustainable finance of East Java Bank, namely to:

- a. Provide the necessary sources of funding to achieve adequate amounts of sustainable development goals and climate change-related funding;
- b. Improving the Company's resilience and competitiveness through better social and environmental risk management

by developing financial products and/or services that apply sustainable financial principles so as to make a positive contribution to financial system stability;

- c. Reduce social inequalities, reduce and prevent environmental damage, protect biodiversity, and encourage efficient use of energy and natural resources; Dan
- d. Develop financial products and/or services that apply sustainable financial principles.

Company's Strategy and Work Program in Dealing with Social, Economic and Environmental Issues

Bank Jatim defines stakeholders as entities or individuals who are affected by the Company's activities, products and services. On the other hand, their existence also influences the Company in realizing the success of its strategy implementation and goal achievement. Stakeholder involvement is directed at the Company's business interests by paying attention to corporate social responsibility, concern for environmental issues, as well as paying attention to the priority scale in building communication with various strategic partners.

Table of Bank Jatim Stakeholder Engagement

Stakeholders	Method of Involvement and Frequency of Approach
Investors	Regular meetings, at least once a year.
Nasabah	Customer visits, carried out as needed
Employees	<ul style="list-style-type: none"> - Meetings between management and the union, at least once a year. - Performance improvement forum, at least once a year. - Gathering of celebrations and commemoration of religious holidays.
Public	<ul style="list-style-type: none"> - Visit and communicate with the community, as needed and as needed. - Implementation of corporate social responsibility (CSR) programs, and the Bank Jatim Peduli Program.
Regulator	<ul style="list-style-type: none"> - Meetings with regulators / authorities, as needed. - Involvement in local government activities, as needed.
Non-Governmental Organizations (NGO)	Communication

The social responsibility work strategies and programs for each core subject of social responsibility are as follows:

1. **Human Rights**
The strategy in social responsibility related to human rights emphasizes the fulfillment of human rights principles for stakeholders. Work programs in social responsibility related to human rights include handling complaints from stakeholders, avoiding discriminatory actions, fulfilling economic, social and cultural rights, fulfilling employee rights and other relevant programs.
2. **Fair Operation**
Strategies in social responsibility related to fair operations, namely emphasizing operational activities that are in accordance with prevailing business ethics and business ethics. Work programs in social responsibility related to fair operations, among others, procurement of goods and services and other relevant programs.
3. **Environment**
The strategy in social responsibility related to the environment emphasizes the application of sustainable finance and energy savings. Work programs in social responsibility related to the environment include, among others, paper material management, energy and water management, environmentally friendly financing and other relevant programs.
4. **Employment, Occupational Health and Safety**
Strategies in social responsibility related to employment, health and work safety, namely *emphasizing healthy and conducive industrial relations between the Company and employees. Work programs in social responsibility related to employment, health and work safety, among others, employee welfare programs, provision of health facilities, and other relevant programs.
5. **Customer**
The strategy in social responsibility related to customers is to emphasize efforts to protect customers and improve the quality of products and services. Work programs in social responsibility related to customers include, among others, customer education programs, programs related to customer complaints, and other relevant programs.
6. **Social and Community Development**
Strategies in social responsibility related to social and community development, namely emphasizing sustainable economic development. Work programs in social responsibility related to social and community development include the Social and Environmental Responsibility (TJSL) program and other relevant programs..



Programs Exceeding The Minimum Responsibility of Companies that are Relevant to The Business Conducted

Based on the work programs that had been described, several work programs that exceed the minimum responsibilities include:

1. Environmentally friendly financing and investment.
2. Customer gathering.
3. Construction of Unfit for Living (RTLH)
4. Other relevant programs.

Financing and Social Responsibility Budget

During 2020, Bank Jatim has distributed funds for TJSL program amounting to Rp15.65 billion. In addition, as a form of responsibility to employees, the Bank has carried out competency development for its employees at a cost for 2020 of Rp7.25 billion.

— Corporate Social Responsibility Related to Human Rights

Commitment and Corporate Social Responsibility Policy for Human Rights

Bank Jatim was fully committed to upholding Human Rights (HAM). The scope of social responsibility related to human rights that has been implemented by Bank Jatim includes the application of human rights principles to all stakeholders. Bank Jatim has guidelines in the application of human rights in its operational activities. These guidelines include the code of conduct, collective labor agreements, prevention of acts of discrimination, freedom of association, arrangements for working hours, permits due to emergency conditions, and opportunities to perform worship. Bank Jatim also provides equal rights and opportunities to work at the Bank without discrimination, considering differences in religion, ethnicity, race, social status, skin color, gender, or other physical conditions, including in terms of the appointment of prospective workers.

Corporate Social Responsibility Scope of Corporate Social Responsibility in Human Rights

The scope of corporate social responsibility is related to human rights, which is related to the fulfillment of human rights principles in the Company's operational activities to all stakeholders. The implementation of social responsibility related to human rights, among others, acts of non-discrimination, social and cultural rights, and fulfillment of employee rights.

Social Responsibility Planning Human Rights Company

Bank Jatim always prepares activity plans as outlined in the work program contained in the Work and Budget Plans (RKAP) and the Bank's Business Plans (RBB). The work program is aimed at ensuring that the work processes at the Bank pay attention to activities related to the promotion of human rights. The Company also has a number of procedures that regulate various fulfillment of human rights, and will continue to evaluate and develop the application of fixed procedures in line with human rights principles.

Implementation of Corporate Social Responsibility Initiatives in Human Rights

The banking sector can be considered as a special business activity because it can play two roles that are invisible visibly both as an actor causing human rights violations and as an actor in resolving

human rights violations committed by corporations. Regarding human rights, Bank Jatim pays special attention when it sees the potential impact of this business on human rights violations. Banks can be a direct cause of human rights violations through violations of the rights of employees and their customers. In addition, banks can also play an indirect role in the occurrence of human rights violations through the provision of financial assistance/loans to certain corporations that conduct business activities that violate human rights.

Based on the foregoing, Bank Jatim has a moral responsibility and an obligation to respect human rights. Narrowing respect for human rights can be interpreted as the Bank not taking actions that can disrupt the rights and freedoms of employees and other stakeholders. In a broad sense, the Bank will take steps actively and decisively related to human rights such as identifying, preventing, and resolving human rights violations and enforcement through proper due diligence in each of its operations and business relations. Implementation of social responsibility related to human rights in East Java Bank, among others as follows.

Non-Discrimination

Bank Jatim respects and upholds differences between people, both in terms of gender, class, ethnicity and race. These differences are human rights as basic rights inherent in every individual from birth. The award is in line with the 1948 Universal Declaration of Human Rights which emphasizes that human rights should be enjoyed without any distinction, such as race or color, gender, language, religion, political opinion or other, national or social origin, property, birth or other status.

In applying this principle, the Company provides equal treatment to anyone, both inside and outside the company. The implementation of non-discrimination policies or equal treatment by Bank Jatim is basically to create dignity and respect for all, as well as in the context of realizing social and economic justice.

Social and Cultural Conditions

Social and cultural conditions are one of the keys to sustainable development. In order to realize sustainable financial action, social factors are needed. Bank Jatim has a moral responsibility to the community as an agent of development by providing benefits in the form of Corporate Social Responsibility (CSR) to worthy parties. In addition, Bank Jatim business activities such as providing credit take into account the fields and types of business of the debtor so as not to be misused for negative businesses.

Meeting Employee Rights

Human Rights Enforcement is also demonstrated by the freedom for employees to form Employee Unions and to hold meetings between Employees Unions and Bank management to

discuss matters that are needed by employees so that the work programs contained in the RKAP can be realized by taking into account the agreement between the Employee Union and the Bank's management.

As a company engaged in the banking industry, Bank Jatim regards the issue of human rights by focusing more on labor issues. The issue of human rights related to the Bank's operational activities is not a significant issue, considering that banking is a business activity in the service sector. The activities of implementing social responsibility related to human rights undertaken by the Bank include Employment Opportunities and Equality, Freedom of Employee Union Formation, Working Time, Work Leave, Work Permit, and Other Matters relating to Employment.

PT Bank Pembangunan Daerah Jawa Timur Tbk regulated the working days and hours of employees and differentiated between Head Office and Branch. Bank Jatim applied 5 (five) working days a week with the distribution of operating hours as follows:

- Headquarters 08.00 s/d 17.00 WIB
- Branch Office 07.30 s/d 16.30 WIB

The Bank also provides a leave policy for all employees. The types and allocations of leave are stipulated in the Manual Implementation of Reward & Punishment System as follows:

1. Annual leave

- The annual leave period in one fiscal year is 12 (twelve) working days;
- Each employee is required to take annual leave of at least 6 (six) working days within 1 (one) year of the annual leave period;
- For employees who do not take annual leave or take annual leave of less than 6 (six) working days in 1 (one) year of the annual leave period, they will not receive additional leave income in the following year;
- For employees who for 6 (six) consecutive months of work do not take their right to annual leave, the Head of the Work Unit is obliged to give the employee the right to annual leave and the employee concerned is required to take annual leave of at least 3 (three) working days in the next month.

2. Grand leave

- The right to leave or take a long break is given for at least 2 (two) months and implemented in the seventh and eighth year each 1 (one) month for employees who have worked for 6 (six) years continuously.
- Employees who apply for a major leave are still entitled to receive income which consists of Personal Grade and Job Grade;
- Employees who do not take major leave in the seventh and eighth years are given compensation money of 2 (two) times their full salary according to jobgrade and personal grade.

3. Maternity leave

- Maternity leave is granted for a maximum of 3 (three) months, which is 1.5 (one and a half) months before delivery and 1.5 (one and a half) months after delivery
- Employees who take maternity leave continue to receive salary and extra income as fully entitled according to personal grade and job grade

4. Sick leave

For employees who are sick, they can be given rest with the following conditions:

- For sickness for more than 2 (two) days, the employee is required to submit a doctor's certificate
- Employees who are sick and based on the doctor's statement need to rest, are not obliged to work and still receive a salary which is regulated as follows:

Month 1 to month 4	100% X full salary
The 5 th to the 8 th month	75% X full salary
The 9 th month to the 12 th month	50% X full salary
The 13 th month... ..and so on	25% X full salary

- Employees who are unable to work in the period of the 13th month and thereafter, the employee can be dismissed with due observance of the prevailing laws and regulations.
- Employees who are sick due to an accident while carrying out their services, will be given sick leave / rest based on the doctor's statement.

5. Extra Leave

Extra leave is given to permanent employees who have urgent / sudden needs or other important needs. Extra leave is granted as follows:

- Employee marriages are entitled to leave 3 (three) working days
- An employee's child marriage is entitled to leave for 2 (two) working days
- The wife who gives birth is entitled to leave for 2 (two) working days
- Family members of employees (wife, husband, children, son-in-law and parents and in-laws) who pass away are entitled to leave 2 (two) days in the city and 4 (days) outside the city.
- Family members who live in the same house as the deceased have the right to leave 2 (two) working days;
- Child circumcision has the right to leave 2 (two) working days;

6. Hajj leave

7. Leave for Umrah or Other Religious Worship

8. Permission not to come to work to carry out state duties / represent the bank.

Achievements and Awards of Corporate Social Responsibility Initiatives in Human Rights

Bank Jatim berkomitmen untuk melaksanakan kegiatan Bank Jatim committed to carrying out its operational activities in accordance with human rights principles. This application had a positive impact on the Company's operational activities. The application of human rights principles to employees has provided employees with comfort at work. In addition, the application of human rights principles has also provided convenience for customers in carrying out transactions at the Bank.

For the implementation of social responsibility related to human rights, in 2020 Bank Jatim received awards related to the application of human rights, including:



Award Name:
Rank II Customer Purchase
Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement
(SLE) Awards 2020

Organizer:
Infobank



Award Name:
Rank I Engagement
Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement
(SLE) Awards 2020

Organizer:
Infobank



Award Name:
Rank I of Satpam
Satisfaction

Event:
3rd Satisfaction, Loyalty, And Engagement
(SLE) Awards 2020

Organizer:
Infobank



Award Name:
Rank II Satisfaction Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement
(SLE) Awards 2020

Organizer:
Infobank



Award Name:
Rank I Customer Influence 2020

Event:
3rd Satisfaction, Loyalty, And Engagement
(SLE) Awards 2020

Organizer:
Infobank



Award Name:
Rank I Customer Knowledge Index 2020

Event:
3rd Satisfaction, Loyalty, And Engagement
(SLE) Awards 2020

Organizer:
Infobank



Award Name:
Rank I 2020 Customer Service Satisfaction Index

Event:
3rd Satisfaction, Loyalty, and Engagement (SLE) Awards 2020

Organizer:
Infobank



Award Name:
Rank I Satisfaction Index 2020 Teller

Event:
3rd Satisfaction, Loyalty, And Engagement
(SLE) Awards 2020

Organizer:
Infobank

— Corporate Social Responsibility Related to Fair Operation



Commitment and Corporate Social Responsibility Policy for Fair Operations

Bank Jatim fully committed and implemented GCG principles as the main foundation for the Bank in carrying out operational activities and in dealing with stakeholders. The purpose of implementing fair operations in the Bank's operational activities is to create clean business practices and avoid all forms of fraud. In order to support a clean and dignified work relationship, the Bank has Guidelines in implementing fair operations, including, Code of Conduct, Whistleblowing System, Gratification Policy, Anti-Corruption Policy, Anti-Fraud Policy and Guidelines for the Implementation of Goods / Services Procurement.

Scope of Corporate Social Responsibilities For Fair Operating Fields

The scope of the implementation of social responsibility related to fair operating practices that is emphasized by Bank Jatim at this time is healthy competition, application of anti-corruption and anti-gratuities, anti-fraud, implementation of WBS, Code of Conduct and procurement of goods and services.

Corporate Social Responsibility Planning Fair Operations

Bank Jatim is targeting the implementation of social responsibility related to fair operations, namely ensuring the implementation of all policies for fair operating practices. Any violations that occur will be subject to strict sanctions in accordance with Bank policies and applicable regulations.

Fair Implementation of Corporate Social Responsibility Initiatives

Healthy Competition

Bank Jatim realizes that the competition in the banking industry in Indonesia is very tight. To face this competition, the Bank is committed to carrying out its business processes based on the principles of fair competition in accordance with applicable business ethics. In accordance with the principle of healthy competition, Bank Jatim will focus on efforts to create quality products and services, without looking for shortcomings or weaknesses of competitors. Bank Jatim also does not tolerate collusive practices with certain competitors with the aim of reducing the effects of market competition.

WBS Implementation

Bank Jatim owns and implements violation reporting policies and systems as a concrete manifestation of internal control efforts, and has made gradual improvements in both the reporting mechanism to the reporting media dissemination. Bank Jatim carries out a policy regarding the whistleblowing system as a whole in every aspect of business activities. The whistleblower mechanism is carried out directly by the Head of the Internal Audit Division and 2 (two) Sub Division Heads as quality control. As a form of the Bank's commitment to implementing an anti-fraud strategy and a violation complaint mechanism and ensuring protection for reporters with good intentions, Bank Jatim is obliged to:

1. Banks are obliged to protect whistleblowers.
2. The protection provided by the Bank for whistleblowers is intended to encourage the courage of whistleblowers to report fraud complaints in a clear, detailed and transparent manner.
3. Whistleblower protection includes protection of the whistleblower's identity and report contents.
4. The Bank is committed to protecting whistleblowers with good intentions and the Bank will comply with all relevant laws and regulations as well as applicable best practices in implementing protection for whistleblowers.
5. All reports of fraud complaints will be guaranteed the confidentiality and security of the Bank and whistleblowers can get information about the progress of the complaint.
6. The Bank provided protection to the whistleblower of the Bank's internal employees from the following:
 - Dismissal;
 - Demotion;
 - Discriminatory;
 - Intimidation; and
 - Other protection in accordance with applicable laws.

Relationship with Work Partners and Other Organizations

The Bank always prioritizes the interests of Bank Jatim in dealing with business partners. In addition, the Bank also strives to continue to prevent corruption, collusion, and nepotism as well as negative images in dealing with business partners. In conjunction with other organizations, Bank Jatim throughout 2020 has avoided any form of inappropriate collaboration/partnership with other parties.

Anti-Gratuities and Anti-Corruption

The Company established policies on anti-gratuities and anti-corruption. The policies taken by Bank Jatim to support anti-gratuities and anti-corruption include including provisions related to Gratuities Control in the Code of Conduct, PT Bank Pembangunan Daerah Jawa Timur Tbk. In addition, the Company established a Gratification Control Unit (UPG) which is chaired by the Compliance and Governance Division. This was followed by a Statement of Commitment to the Implementation of Gratuities Control signed between the Board of Directors of Bank Jatim and the Director of Gratuities at the Corruption Eradication Commission.

In addition, Bank Jatim also issued a Letter of Appeal for All Branches and Divisions not to offer and provide gratuities in any form to Civil Servants or State Administrators in any form. The appeal was followed by outreach to the Bank Jatim Branch Office regarding the understanding and control of gratuities in the Roadshow of Compliance Culture and Compliance Function Socialization at Branch Offices.

Anti-Fraud Policy

As a financial watchdog institution, fraud is one of the threats to Bank Jatim. To prevent fraud, it also refers to Bank Indonesia Circular Letter No. 13/28/DPNP dated December 9, 2011 regarding the Implementation of Anti-Fraud Strategies for Commercial Banks, it is necessary to increase the effectiveness of internal control as an effort to minimize the risk of fraud, including implementing an anti-fraud strategy. The concrete steps taken by Bank Jatim to minimize the occurrence of fraud is by issuing the Decree of the Board of Directors number 050/119/KEP/DIR/AI dated June 29, 2012 concerning the Guidebook for the Implementation of Anti-Fraud Strategies.

At Bank Jatim, every fraud incident is of particular concern in solving the case. In this matter, management requires all relevant levels within the Bank's internal environment to be concerned about anti-fraud. Anti-fraud concern is pursued on an ongoing basis in the form of zero tolerance for fraud.

To prevent fraud, Bank Jatim continued to strive to increase understanding and concern of employees and other parties to report violations through whistleblowers. Through these efforts, it is hoped that it will be able to create a clean work environment with integrity and support the improvement of the implementation of the Anti-Fraud Strategy (SAF).

Code Of Ethics

Bank Jatim Code of Ethics was regulated in guidebook No. 058/116/DIR/PRS/ KEP concerning Code of Conduct, Work and Business Ethics (Code of Conduct) dated May 14, 2019. The Code of Ethics is the commitment of the management and employees of Bank Jatim to realize the vision and mission of Bank Jatim in a professional and ethical manner. In addition to developing company performance, the implementation of this commitment also aims to shape Bank Jatim's personnel to become bankers who have a high level of banking ethics as one of the requirements for maintaining and developing the existence of Bank Jatim.

In addition to making every effort to enforce the Code of Ethics, Bank Jatim is also making other efforts to implement a compliance function and a compliance culture, namely requiring every employee to sign a Compliance Integrity Pact at the beginning of the year. Through the signing, it is hoped that every employee will have high integrity, and carry out a joint commitment by showing good faith to be responsible and carry out duties in accordance with applicable regulations.

Procurement of Goods and Services

Bank Jatim has an internal policy related to the procurement of goods and services, namely the Decree of the Board of Directors Number 057/335/DIR/UMM/KEP dated 30 October 2018 concerning Guidelines for the Implementation of the Procurement of Goods / Services. The guideline regulates the principles of the procurement of goods / services, namely: efficient, effective, open, competitive, transparent, fair and accountable. The guideline is also a guide for the Bank in carrying out the process of procuring strategic and non-strategic goods and services to support the Bank's operational activities according to the quality, quantity and time set at the best price and applying risk management principles.

GOODS / SERVICES PROCUREMENT POLICY

1. Procurement of goods / services within PT Bank Pembangunan Daerah Jawa Timur Tbk refers to the Decree of the Board of Directors No. 057/335/KEP/DIR/UM, April 25 2019, regarding the Implementation Guideline Book (BPP) for the Procurement of Goods / Services PT Bank Pembangunan Daerah Jawa Timur Tbk, in Chapter III Point 3.5 on Electronic Procurement, regarding Electronic Catalogs that contain information in the form of a list including domestic products.
2. PT Bank Pembangunan Daerah Jawa Timur Tbk can refer to Presidential Regulation of the Republic of Indonesia No. 16 of 2018 concerning Government Procurement of Goods / Services, in Chapter IX of Small Businesses, Domestic Products and Sustainable Procurement, Part Two concerning Use of Domestic Products.

In each year, Bank Jatim targets that the implementation of procurement of goods and/or services within Bank Jatim is in accordance with the principles set out in the guidelines for the procurement of goods / services. In addition, Bank Jatim also always strives to update the guidelines periodically to suit current conditions. Increase the independence and professionalism of the parties involved in the planning and process of procuring goods / services.

In the context of implementing the procurement of goods / services in accordance with the principles of transparency, Bank Jatim always provides information related to the procurement process openly to prospective procurement participants. The information referred to includes, among other things, technical requirements for procurement administration, evaluation

procedures, results of evaluation, determination of prospective goods / services providers. As for the process of procuring high value goods / services, Bank Jatim always provides access to information to prospective providers of goods / services through websites and newspapers. In addition, Bank Jatim always carries out its obligations to providers of goods / services, one of which is through accuracy in payment according to the agreement set forth in the Cooperation Agreement.

The commitment of East Java Bank in undergoing the procurement process of goods/services in accordance with the principles in the guidelines for procurement of goods/services has an impact on the high level of work completion commitment by the provider of goods/services.

Achievements and Awards of Corporate Social Responsibility Initiatives for Fair Operations

Bank Jatim's commitment to compete fairly brought results in the absence of legal action or sanctions from the Business Competition Supervisory Commission (KPPU) during the reporting year. This also proves that in running its business, the Company complies with antitrust regulations and is not involved in monopolies. The joint commitment in enforcing anti-gratification and anti-corruption policies has brought results in the absence of proven incidents of gratification and corruption during 2020. In 2020, Bank Jatim has not received any awards regarding the implementation of fair operations.

— Corporate Social Responsibility Related to The Environment

Commitment and Policy of Corporate Social Responsibility In The Field of Environment

Bank Jatim realizes its business operations activities directly or indirectly have an impact on the environment, so protecting the environment for survival now and in the future is a top priority. In addition, Bank Jatim always carries out the function of compliance with applicable regulations, laws and norms so as to avoid compliance risks.

Guided by Law No. 32 of 2009 concerning Environmental Protection and Management, one of which regulates company policy on nature and the environment, as well as implementing POJK regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions of Issuers and Public Companies, Bank Jatim in its business operations not only pursues profit but also considers the planet and people.

Environmental Impacts and Risks

Environmental issues related to the Bank's activities, among others, are reflected in the lending process. Bank Jatim targets that in every lending activity it will always adhere to the applicable internal regulations. Bank Jatim always tries to avoid giving credit to projects or businesses that are clearly endangering the environment. The Bank will ensure that 100% of debtors meet the AMDAL requirements and obtain the BLUE/GREEN /GOLD (BIRU/HIJAU/EMAS) PROPER rating.

Bank Jatim also targets energy saving and emission reduction activities with the Green Office Program. This program is a tangible form of contribution in environmental management around the head office in supporting the management of environmentally friendly offices. In its implementation, management and all workers strive to implement various savings programs such as saving paper, saving electricity, and saving water through socialization and advice. The program can provide tangible benefits such as reducing operational costs, increasing efficiency, and also improving the image of Bank Jatim. Activities and activities in support of the creation of a Green Office are carried out through the use of environmentally friendly materials and more efficient use of energy.

Target / Plan of Environmental Corporate Social Responsibility Activities

Bank Jatim is targeting to participate in sustainable development, so that in addition to looking for profit in its business operations it also contributes to society and the environment.

Environmental Activities Related to Company Operational Activities

Paper Material Management

In carrying out business operations, Bank Jatim requires paper as one of the materials or raw materials. Paper is used for office administration purposes, such as correspondence, work contracts, agreements with customers / partners, and so on. The company realizes that paper making requires wood pulp from felling trees, electricity and fuel oil as a source of energy, water and other chemicals. The paper-making process also produces various kinds of waste, both solid, liquid and gas, as well as waste that is categorized as hazardous and toxic (B3) and non-B3. Thus, the papermaking process contributes to and has a negative impact on the environment.

Reflecting the magnitude of the impact on the environment from the paper-making process, Bank Jatim is committed to reducing paper use. The efforts made include optimizing the use of used document paper which is not confidential for reuse on the other side that is still empty for internal purposes. Another effort to save paper is also done by checking optimally before printing manuscripts or letters so as to avoid the possibility of having to reprint due to typos or misspellings.

Another policy that is no less important, Bank Jatim has developed a paperless office concept by optimizing the use of information technology so as to reduce the use of paper in the implementation of banking transactions and in office administration activities. Increased use of information technology and the development of non-cash transactions have made banking operations and services have an impact on reducing paper use at Bank Jatim. In its application, paper use reduction has been applied in the E-filling system to send letters.

Energy Management

Bank Jatim utilizes two main energies, namely fuel oil (BBM) and electricity. Fuel is obtained through purchases from third parties which are used as energy sources for operational vehicles and generators as backup energy if the electricity supply is interrupted or dead. Meanwhile, the electricity supplied by PT PLN (Persero) is used for lighting and energy sources for various electronic office facilities and infrastructure, such as computers, laptops, elevators, photocopying machines, room temperature control machines, and others.

Bank Jatim is committed to making savings or being efficient in using fuel and electricity. The savings measures taken include:

1. Turn off all lighting for work spaces and meeting rooms when all employees on that floor have left the office.
2. Turn off the lighting in the meeting room when not in use and open the window blinds sufficiently.
3. Turn off the room lights if you are leaving the room for a long time.
4. Turn on the bathroom light sufficiently.
5. The lighting arrangements for offices and buildings are monitored, not exaggerated and sufficiently.
6. Reducing physical visits by means of video or conference calls.
7. Turn off AC units throughout the building after operating hours are over.
8. Turn off lights in all work spaces after operations are complete.
9. Regular maintenance of the AC unit.
10. Checking panels and electrical installations.
11. Changing the lamp using the LED.

Water Management

Apart from energy, water is an important requirement for Bank Jatim. Water supplied by the PDAM is used for toilet facilities, kitchens, watering plants, and others. Due to the increasingly limited availability of clean water, including the increasing difficulty of raw water to be processed by PDAM due to pollution, the Company is committed to saving water. Apart from conducting campaigns and appealing for water savings, the Company also routinely checks water channels, taps or valves, and immediately performs repairs as soon as possible in the event of a leak or damage.

Implementation of Environmental Corporate Social Responsibility Initiatives

Environmental Friendly Financing and Investment

In line with its commitment to realizing the implementation of sustainable finance, Bank Jatim has a policy to provide financing for environmentally friendly products (green financing). For this purpose, Bank Jatim applies a pre-screening process

for loan applications according to the criteria for acceptable risks and their impact on the environment and social aspects. Environmentally friendly financing includes several sectors, including energy, agriculture, infrastructure, and the manufacturing industry.

One of the prerequisites for applying for loans for organizations is ISO 14001, which is an international specification for an environmental management system that helps identify, prioritize and manage environmental risks as part of normal business practice. In addition, ISO 26000 on Corporate Social Responsibility (CSR) is also the main consideration for Bank Jatim in providing credit.

Bank Jatim has provided financing to several plantation sectors which directly contribute to sustainable national development and natural preservation. In 2020, the ceiling for credit in this sector was IDR182.40 billion, and the distribution was recorded at IDR145.40 billion or 79.71% of the ceiling.

Quantitative Impact of Corporate Social Responsibility Activities Related to The Environment

With various efforts to save paper use, the number of paper usage at the Bank Jatim Head Office in 2020 was recorded at 2,057 reams, down 1,291 reams or 38.56% compared to 2019 with 3,348 reams of paper use. Assuming a ream of paper contains 500 sheets of paper weighing 5 grams per sheet, then the weight of a ream of paper is equivalent to 2.5 kg. Thus, the volume of paper use in 2020 decreased by 3,227.5 kilograms compared to 2019.

On the other hand, from the use of this paper, Bank Jatim produces paper waste that can be recycled. For the management of paper waste, the Company submits it to a third party, including to recycle or reuse the paper waste. Thus, as of December 31, 2020, the Company did not use recycled materials from paper materials or raw materials. In addition, Bank Jatim has not calculated the waste of paper used in a year.

Table on The Use of Paper Materials 2018-2020

Year	Total (Ream)
2020	2.057
2019	2.096
2018	3.348

Through various policies and energy efficiency efforts, Bank Jatim can reduce the volume of fuel and electricity usage at the Bank Jatim Head Office which is presented in the following table:

Fuel Consumption Table for 2018-2020

Fuel	2020		2019*		2018	
	Liter	GigaJoules	Liter	GigaJoules	Liter	GigaJoules
Solar	101.491	14.871	113.682	16.657	177.287	25.976

*restated

Based on the table above, the volume of diesel fuel use in 2020 was recorded at 101,491 liters or equivalent to 14,871 GigaJoules, a decrease compared to 2019, which reached 113,682 liters or equivalent to 16,657 GigaJoules. The decline occurred in line with the implementation of efficiency as one of the recommendations for energy audits in 2019.

Meanwhile, electricity usage during the reporting year, as shown in the table below, reached 2,105,891 kWh or the equivalent of 7,581 GigaJoules, a decrease compared to 2019, which reached 2,225,569 kWh or equivalent to 8,012 GigaJoules. The decline occurred in line with the implementation of efficiency as one of the recommendations for energy audits in 2019.

Electricity Usage Table 2018-2020

Description	2020		2019*		2018*	
	kWh	GigaJoules	kWh	GigaJoules	kWh	GigaJoules
Electricity Consumption	2.105.891	7.581	2.225.569	8.012	2.283.936	8.222

*restated

Environmental Certification

As of December 31, 2020, Bank Jatim did not have certification related to the environment.

— Corporate Social Responsibility Related to Employment, Occupational Health and Safety

Corporate Social Responsibility Related to Employment, Occupational Health and Safety

Bank Jatim provides opportunities, facilities and infrastructure for employees to actualize their potential and play an active role in improving their performance and competence. Development of Human Resources (HR) at Bank Jatim is known as Human Capital Management (HCM) with a more comprehensive approach than Human Resource Management (HRM). Through the implementation of HCM, Bank Jatim treats employees as assets and adds value and supports all functions or as a strategic partner of the Bank. This is guided by the Decree of Board of Directors No. 057/274/DIR/HCT/KEP dated August 27, 2018 concerning BPP Reward and Punishment System, and Decree of Board of Directors No. 051/161/KEP/DIR/SDM dated September 24, 2013 concerning the Grading System and its Changes.

Scope and Formulation of Social Responsibility in The Field of Employment, Occupational Health and Safety

Issues, risks and scope of corporate social responsibility activities related to employment, health and work safety consist of employment programs including gender equality in employment opportunities, equality in education and training programs, use of local labor, remuneration, promotion, freedom of association and retirement training. Furthermore, the program for providing health facilities and occupational safety programs includes BPJS Employment, health care assistance, blood donation, general check-up, eyeglasses fees, and reimbursement of delivery costs.

Plan of Social Responsibility Activities in The Field of Employment, Health and Safety

Related to employment, health and safety practices for employees, throughout 2020 Bank Jatim has set several achievement targets including East Java Bank employees who are aware and responsive to occupational health and safety.

Activities And Quantitative Impacts of Corporate Social Responsibility in The Field of Employment, Health and Safety

Quantitative Activities and Impacts of Labor Activities

Gender Equality In Work Opportunities

That the Bank provides equal opportunities for the public to work in the Bank in accordance with the needs and requirements required. The Bank provides decent work to employees with job descriptions, performance targets and balanced compensation, and does not employ child labor in accordance with applicable laws and regulations.

Equality in Education and Training Programs

Bank Jatim gives every employee not only the opportunity to learn and get applicable knowledge, but also to grow through good performance and contribute significantly to the achievement of the company's business performance.

Use of Local Labor

Bank Jatim in the utilization of manpower / human resources prioritizes using local manpower in this case so that it is in accordance with the vision and mission of the Bank.

Freedom of Association

Bank Jatim fully supports the freedom of employees to assemble, associate and have an opinion through the Employees Union. This union is a forum for communication and aspirations. Bank Jatim fosters industrial relations in accordance with applicable labor regulations, routinely holds various sharing session meetings with the Workers Union. This sharing session aims to accommodate aspirations, suggestions, suggestions and criticism.

Remuneration

The competency-based remuneration system uses a grading system where remuneration will be divided according to the grade of each position at Bank Jatim. The grading of each position is carried out in accordance with the demands of the duties and responsibilities of each position. The grading level of each position is determined by conducting a job evaluation based on a job profile consisting of job requirements and job descriptions. The grading of each position is also followed by the determination of the remuneration. Competency-based remuneration must consider in a balanced way between the

benefits provided and the output, namely the performance generated by employees. Competency-based remuneration must consider 3 factors, namely individual competence, position or position and performance. The grading system adopted by Bank Jatim has adopted 2 factors, namely individual competence known as personal grade and position / position known as job grade. The grading and remuneration system is expected to be able to improve employee performance.

Employee Satisfaction Survey

In implementing its social responsibility to employees, the Company has conducted employee satisfaction surveys. This aims to determine the level of employee engagement from employee performance, as well as to determine the effect of employee engagement on employee performance at Bank Jatim. Not only does employee engagement make employees high in loyalty, employee engagement also makes employees contribute more to the company through improved performance.

Employee Engagement is beneficial for employees, especially in creating good relationships so that it will allow employees to focus on the achievements they want to aim for, build solid teamwork, and not forget to express gratitude and appreciation for the achievements between divisions. In addition, employees become enthusiastic in doing work at the Company. Employee Engagement is also beneficial for the Company. By conducting this survey, the Company better understands the need for employee competency improvement so that the level of engagement between employees and the company will increase. Employee Engagement has created more commitment from employees to the Company.

This means that the level of employee satisfaction with the company is at the point of 3.00. From these results, it can be considered that it is still quite good (right in the middle of the axis) because it is not less than the predetermined middle value of the level of satisfaction. The commitment of employees to the company is at the point of 3.18, from this result it can be categorized as good because the value is above the mean value of employee commitment to the Company.

The Quantitative Impact of Labor Activities

The implementation of social responsibility towards employees has had a positive impact on the Company as well as for employees. This can be seen from the good level of satisfaction in 2020. The level of satisfaction is at the point of 3.00. This value is still quite good because it is not less than the predetermined middle value of the satisfaction level of 3.00. The commitment of employees to the company is at the point of 3.18, from this result it can be categorized as good because the value is above the mean value of employee commitment to the Company.

Quantitative Activities and Impacts of Health Activities

Bank Jatim has health facilities that can be used by employees and their families who have become dependents. The facilities provided include:

1. Inpatient and Surgical Facilities

Awarded to all employees and employees' families who have been registered and are the responsibility of the Company. This care facility can be done in all hospitals in the Republic of Indonesia without any cost limit and is limited by inpatient classes according to the position of each employee. Inpatient room class rights are regulated as follows:

Echelon Level	Inpatient Class entitlements
Echelon I	VIP class
Echelon II	Class 1
Echelon III	Grade 2
Echelon IV	Grade 2
Executor	Grade 3
Basic Staff	Grade 3

2. Inpatient and Surgical Facilities

Awarded to all employees and employees' families who have been registered and are the responsibility of the Company. This care facility can be done in all hospitals in the Republic of Indonesia without any cost limit and is limited by inpatient classes according to the position of each employee. Inpatient room class rights are regulated as follows:

No.	Position	Maximum Ceiling
1.	Employment Association Contractors	IDR250,000 / month
2.	Prospective Employees (CAPEG)	IDR350,000 / month
3.	Permanent employee	IDR500,000 / month
4.	Family of employees who are registered and are dependent	IDR500,000 / month per family member

3. Fasilitas BPJS Kesehatan dan BPJS Ketenagakerjaan

As a form of responsibility and compliance with applicable laws and regulations, Bank Jatim has enrolled all employees into the BPJS Kesehatan and BPJS Ketenagakerjaan programs.

4. Maternity Assistance Facilities

This facility is intended to reduce the cost of childbirth for wives and permanent married female employees, this assistance is given a maximum of up to the delivery of the third child. For an employee or employee's wife who gives birth to a fourth child and so on (not entitled to the Company's responsibility), the costs of childbirth for the mother and child will not be borne by the Bank but borne by the employee concerned.

5. Glasses Replacement Fee Facility

The bank provides reimbursement for the purchase of glasses with the following conditions:

- Reimbursement for the purchase of glasses is only given to permanent employees through a doctor's prescription;
- The conditions for changing glasses are as follows:
 - Replacement of frames every 2 years
 - Lens replacement every 1 year
- The amount of reimbursement for the purchase of glasses, both frames and lenses or lenses, is determined in accordance with applicable regulations, as evidenced by the original receipt for purchasing glasses from optics.

Quantitative Impact of Health Activities

Bank Jatim has conducted various activities to ensure and ensure health aspects in order to maintain employee productivity. The Bank has provided health facilities for employees and their families who be dependent. All of these efforts have an impact on increasing employee productivity where in 2020 the employee productivity level was IDR 1,477.85 million, an increase from 2019 which amounted to IDR 1,377.78 million.

Work Safety Activities and Quantitative Impacts

Facilities And Infrastructure of Occupational Health and Safety

To create a decent and safe work environment, Bank Jatim provides various supporting work facilities and infrastructure for employees so that they can work optimally. In fact, for the convenience of workers, the Company provides various adequate facilities, such as parking lots, places of worship, toilets and others. In line with that, the Company also provides various occupational health and safety equipment in case of emergency situations, such as light fire extinguishers, hydrants, first aid kits and others.

To maintain and ensure that work facilities and infrastructure are functioning properly, Bank Jatim also conducts periodic audits / checks. An audit is held to check the appropriateness of the facilities and infrastructure so as not to cause work accidents. The work facilities audited include lifts, gondolas, light fire extinguishers, hydrants, and others. In 2020, the audit was carried out in April 2020 with the result that the condition of the facilities and infrastructure was still fit for use.

Quantitative Impact of Occupational Safety Activities

All employees of the Company have made efforts to achieve a zero accident rate during 2020. However, in the reporting year, work accidents were still recorded, as shown in the following table:

2018-2020 K3 Performance Table

No.	Year	Work Accident Rate			
		Light	Moderate	heavy	Fatal / Kematian
1.	2020	3	1	1	1
2.	2019	4	-	-	-
3.	2018	3	2	-	-

Regarding work accidents that occur, Bank Jatim conducted research to find out the causes, determine solutions, and then mitigate so that it did not happen again.

— Corporate Social Responsibility Associated with Responsibility to Consumers

Commitment and Consumer Corporate Social Responsibility Policy

Bank Jatim's commitment and policy in implementing corporate social responsibility in the consumer or customer sector refers to the Circular Letter of Financial Services Authority No. 2/SEOJK.07/2014 dated February 14, 2014 concerning Services and Settlement of Consumer Complaints in Financial Services Business Actors. The regulation explained that in the framework of carrying out service functions and resolving customer complaints and considering aspects of risk management, Financial Services Business Actors (PUJK) are required to conduct training. For this reason, in the context of improving the quality of human capital related to handling customer complaints and resolving customer complaints and to managing reputation risk exposure that is caused by handling customer complaints, the Bank provides ongoing training.

Target/Plan of Corporate Social Responsibility Activities Related to Consumers

The company targets to always strive to meet consumer expectations, one of which is through handling complaints or targeted complaints that can be resolved in accordance with the standard level agreement. In accordance with Bank Indonesia Regulation (PBI) No. 10/10/PBI/2008 dated February 28, 2008 that written complaints are resolved within the next 20 (twenty) working days. Regarding customer satisfaction, the Company always strives to ensure the security of every product and feature offered/launched to consumers.

Activities and Impact of Corporate Social Responsibility to Consumers

Product Education

In improving the quality of service to customers, Bank Jatim Branch officers need to be equipped with the latest information from the Bank Jatim Head Office. The following are details of the entire socialization agenda to be held in 2020:

No	Date	Socialization	Division
1.	September 9, 2020	New Product Bancassurance Collaboration between Bank Jatim and Sinarmas MSIG through Telemarketing	Product Development and Policy Division
2.	September 8, 2020	The Electronification of Local Government Transactions	
3.	August 27, 2020	Implementation of the National Economic Recovery Program (PEN)	
4.	August 5, 2020	Operational of Bank Jatim CRM Machine	
5.	July 6, 2020	Changes to the Guidelines for Implementation of Stimulus for Debtors Affected by COVID-19 to Branches	

Customer Complaints / Complaints Line

Another form of best service to customers, as well as an implementation of POJK No. 1/POJK.07/2013, Bank Jatim provides a complaint channel for customers, as well as providing solutions as quickly as possible. According to article 35 of this regulation, the timeframe for following up and resolving complaints is no later than 20 working days after the date of receipt of the complaint, and in case of certain conditions, time flexibility is given to extend the time up to a maximum of the next 2- working days. However, as a form of service and professionalism, Bank Jatim makes every effort to be able to resolve the complaint before the deadline runs out. Regarding the handling of complaints, as one of the obligations, Bank Jatim reports the handling and resolution of customer

complaints to Bank Indonesia and the Financial Services Authority every quarter.

Customer complaints can also be submitted via the Bank Jatim Call Center 14044, Bank Jatim official email info@bankjatim.co.id and Bank Jatim official social media (Facebook, Twitter and Instagram) in accordance with the BPP for Protection and Resolution of Customer Complaints leaflets and banners on Procedures Banking Mediation and Customer Complaint Mechanisms and place these announcements in areas that are easily accessible to customers in the banking hall and ATM room.

With regard to customer complaints, Bank Jatim has outlined the following policies:

1. Optimize the function of the Call Center info Bank Jatim 14044 in improving the quality of service for customer complaints online (via telephone).
2. Quickly follow up customer complaints via Bank Jatim official email, Bank Jatim official social media (Facebook, Twitter and Instagram) and mass media.
3. Develop and improve the Integrated Customer Complaint and Protection System as a means of integrated complaints with all Branches, Sub-Branches, Call Center agents and related units so that complaint handling is faster and optimal.
4. Improve and disseminate customer protection BPP to all employees as a reference in resolving customer complaints effectively and efficiently, thereby reducing the level of legal, reputational and financial risks.

To handle customer complaints and seek resolution, the responsible work units at Bank Jatim are as follows:

1. Service Quality Sub Division, especially in the administration, submission of Complaint Handling and Resolution reports on a quarterly basis to Bank Indonesia; and the Financial Services Authority
2. Head of Branch Office Operations, especially in terms of complaint resolution which includes complaints concerning branch office operations in implementing policies / regulations for all functional activities of Bank Jatim that are determined by management.

The Bank has conducted mediation in order to resolve customer complaints in the following ways:

1. PIC officer for complaints from Operations Division, Service Excellence Sub Division, receives complaints / complaints from customers whether submitted through Social Media, Call Centers, Letters, Bank Jatim official e-mails, Newspapers and Advice Boxes, both financial and non-financial complaints.
2. After receiving the complaint, the complaint PIC officer registers and follows up on the complaint according to the

SLA at the BPP for Protection and Resolution of Customer Complaints and is input into the Customer Complaint SPRINT application.

3. Coordinate with related Divisions and Branches regarding customer complaints to resolve these complaints.
4. The Bank clarifies the complaint to the customer.
5. The customer accepts the clarification provided by the Bank and is willing to make a statement that the complaint has been resolved.

With regard to customer complaints, in particular, Bank Indonesia and OJK have also regulated disputes with a maximum value of Rp. 500 million, which arise as a result of unsolved customer complaints against banks that can be resolved using a banking mediation mechanism, which is a process for resolving disputes between customers and banks that are facilitated by Bank Indonesia. This process is carried out flexibly in order to reach a settlement in the form of a voluntary agreement (win-win solution) for some / all of the disputed problems in the spirit of being simple, cheap and fast (maximum 60 days) and based on the principle of confidentiality.

In line with the commitment to provide the best service, while providing convenience to customers, Bank Jatim has a Call Center unit "Info Bank Jatim 14044" which operates 24 hours a day and 7 days a week, throughout the year. Call Center "info Bank Jatim 14044" can provide the following services:

1. Information regarding banking products / services provided by Bank Jatim;
2. Solutions to problems faced by customers in using Bank Jatim services and products;
3. Collecting customer complaints to proceed to the relevant department at Bank Jatim as an attempt to resolve them further; and
4. Perform early security on customer accounts as soon as the customer reports an incident that causes loss of ATM card, forgot internet banking / mobile banking password and SMS Banking unregistration.

Table of Types and Number of Customer Complaints

No	Month	ATM Cash Withdrawal Failed	Transfer Failed	EDC	Failed to Buy Credit	Pay Phone, PLN, PDAM, SPP, PBB, Credit Card and QRIS	ATM card	Internet Banking	CCTV	SMS Banking	Mobile Banking	Cash Deposit	Total Complaints Monthly
1	January	348	53	5	27	8	18	0	4	0	63	0	526
2	February	296	44	4	74	46	19	0	3	0	44	0	530
3	March	278	26	2	27	13	24	0	0	0	32	0	402
4	April	279	46	4	18	30	15	0	2	0	31	0	425
5	May	361	49	6	19	43	8	0	6	0	9	0	501
6	June	278	57	2	106	105	56	0	5	0	5	0	614
7	July	540	90	7	375	35	32	0	0	1	3	3	1.086

No	Month	ATM Cash Withdrawal Failed	Transfer Failed	EDC	Failed to Buy Credit	Pay Phone, PLN, PDAM, SPP, PBB, Credit Card and QRIS	ATM card	Internet Banking	CCTV	SMS Banking	Mobile Banking	Cash Deposit	Total Complaints Monthly
8	August	744	138	15	158	40	26	0	0	2	0	1	1.124
9	September	679	140	9	101	62	37	0	1	6	0	0	1.035
10	October	707	143	11	33	28	35	0	0	0	0	6	963
11	November	696	189	28	117	42	37	0	0	1	0	11	1.121
12	December	800	189	13	37	43	36	0	0	0	0	8	1.126
TOTAL		6.006	1.164	106	1092	495	343	0	21	10	187	29	9.424
Average Complaints per Month		667	129	12	121	55	38	0	2	1	21	3	

Of the number of complaints above, there were 9,424 customer complaints that have been resolved in 2020 (all resolved).

Protection of Customer Data Information

Another effort made by Bank Jatim to maintain customer trust and loyalty is to always provide protection to customers, including maintaining the confidentiality of their data. This commitment is a form of the Company's obedience and compliance with a number of regulations, namely Law No.10 of 1998 concerning Amendments to Law No.7 of 1992 concerning Banking, Regulation of the Financial Services Authority (OJK) No.1/POJK.07/2013 concerning Consumer Protection in the Financial Services Sector, as well as OJK Circular No. 14/SEOJK.07/2014 concerning Confidentiality and Security of Consumer Data and/or Personal Information. Bank Jatim's commitment to maintaining customer data privacy has resulted in the absence of complaints about violations of customer privacy and loss of customer data during the reporting year.

Customer Satisfaction Survey

To find out customer responses to the products and services provided, Bank Jatim regularly conducts customer satisfaction surveys. From the survey results, the Company can simultaneously get input to improve service quality in accordance with customer expectations. Based on the latest customer satisfaction survey, 83.62% of the total 650 respondents expressed satisfaction with the quality of services provided by Bank Jatim.

Impact of Corporate Social Responsibility To Consumers

The implementation of corporate social responsibility related to consumers has had a positive impact on Bank Jatim. This can be seen from the increase in profit for the year Bank Jatim. Bank Jatim's current year profit in 2020 amounted to IDR1.49 trillion, an increase of 8.17% from 2019 which amounted to IDR1.38 trillion.

— Corporate Social Responsibility Related to Social Development

Commitment And Policy of Corporate Social Responsibility in The Field of Social Development

In realizing this social and environmental responsibility, Bank Jatim participates in sustainable economic development in order to improve the quality of life and the environment that is beneficial for the Bank itself, the local community, and society in general. The Company has a policy regarding CSR activities aspects of social development, regulated in BPP Social and Environmental Responsibility of Bank Jatim.

In accordance with the Government Regulation of the Republic of Indonesia Number 40 of 2007 concerning Limited Companies, TJSL can be implemented, both inside and outside the company environment. This regulation becomes the guideline for Bank Jatim so that the implementation of TJSL is right on target and provides maximum benefits for the community and the environment. The implementation of TJSL by Bank Jatim is realized through programs for Corporate Social Responsibility (CSR) activities. Through CSR, Bank Jatim hopes to take part in efforts to encourage progress, empower and create community independence, and improve the local economy. The implementation of CSR programs by Bank Jatim is also a form of support for the implementation of sustainable finance, as well as the Sustainable Development Goals (TPB / SDGs).

Social Issues Relevant to The Company

Bank Jatim as a business entity that benefits from the community must pay attention to good relations with the surrounding community and the general public. Apart from obtaining profits, the Bank can also contribute in overcoming problems faced by the community, both in the religious, social, economic, and cultural fields. This contribution will ultimately open up wider opportunities for the Bank to market its products to the public and at the same time increase employee productivity.

Company Managed Social Risks

As a corporation engaged in banking, Bank Jatim has identified risks faced in corporate social responsibility activities related to social development including the risk of misuse of assistance, the risk of errors in the distribution of aid and the risk of invalidity in aid proposals. Therefore, Bank Jatim conducted a survey in assessing the feasibility of the proposal, among others to monitor the object of assistance and the appropriateness of the amount of assistance to be provided, as well as to monitor before, during delivery, and after providing assistance in the CSR activities.

Scope and Formulation of Social Responsibilities for Community Social Development

Bank Jatim has a focus on social responsibility in the Bank Jatim Peduli program. The subject of the Bank's social responsibility implementation is to the local community as well as the community, whose scope includes areas of:

1. Education
2. Culture
3. Health
4. Other social, consisting of:
 - a. Religious
 - b. Compensation for:
 - The elderly (seniors),
 - The physically disabled, deaf, blind, mute, and others,
 - Homeless people, and
 - Orphan
 - c. Victims of natural disasters and other disasters,
 - d. Conservation of nature and the environment,
 - e. Development of infrastructure and or public facilities,
 - f. Unfit for Living (RTLH), Plasterization,
 - g. MSMEs, and others.

There are several excellent programs of social and environmental responsibility where the activity is a sustainable activity. Featured programs:

1. Unfit for habitation (RTLH)
2. Ambulance
3. Micro, Small and Medium Enterprises (MSMEs)

Target / Plan of Corporate Social Responsibility Activities in The Field of Community Social Development

Bank Jatim's target in implementing CSR activities related to social community development carried out by Bank Jatim in 2020 includes the fields of culture, education, health, and other social.

Corporate Social Responsibility and Activities And Impact of Corporate Social Responsibility in The Field of Social Community Development

In carrying out the CSR program, Bank Jatim makes every effort possible so that these activities provide optimal benefits. For this reason, the preparation of a CSR program begins with mapping the potential of the community that is the target of

implementing CSR, or through community suggestions. This mapping can be done alone or in collaboration with third parties, with the aim of exploring and identifying the potential and needs of the community. Furthermore, the results of the mapping were formulated in such a way that they could get the programs that the community really needed. After that, programs that have been compiled, defined, socialized and implemented by actively involving the community with a bottom up mechanism and making partnerships with other stakeholders.

Through the implementation of CSR programs, Bank Jatim believes that the community and environment around the operation will benefit from the company's existence. This public recognition will in turn present a positive image and strengthen public support for the existence of Bank Jatim. The creation of

such conditions will make Bank Jatim calm and comfortable in running a business so that it can focus more on improving performance and realizing a sustainable business.

Based on this mapping, including adjustment to the conditions of the COVID-19 pandemic during 2020, Bank Jatim has carried out various CSR programs. Based on the measurement of benefits carried out by Bank Jatim, until the end of 2020, the community received positive benefits from the implementation of CSR, and vice versa, Bank Jatim did not receive reports of any significant potential or actual negative impacts on CSR operations. The 2020 CSR programs carried out by Bank Jatim, which are at the same time a real effort and concrete support for Bank Jatim towards the Sustainable Development Goals (SDGs), are as follows:

Table of CSR Program Implementation and Support for TPB year 2020

No.	Type of activity TJSL	Continuous Development Purpose	Explanation	Achievements
1.	Development of Outstanding Junior Volleyball Athletes in Bank Jatim	TPB No 4 - Quality Education	Fund Allocation of IDR429,600,000 Implementation period: January - December	High-achieving junior volleyball athletes often win championships up to the national level
2.	Ambulance assistance for Regency / City	TPB No 3 - Healthy and Prosperous Life	Fund Allocation of IDR2,401,150,000 Implementation period: January - December	There are 5 (five) agencies that provide ambulance assistance. Namely the East Java Provincial Government, PMI Blitar City, Bhayangkara Bondowoso Hospital, Surabaya Haj Hospital and Batu City Social Service.
3.	SMSEs equipment assistance for Regency / City micro, small, and medium enterprises	TPB No 8 - Decent Work and Economic Growth	Fund Allocation IDR1,396,693,500, - Implementation period: January-December	There are 6 (six) districts / cities that are funded by UMKM equipment assistance
4.	Operational car assistance for Regency / City Service / Institution	TPB No 17 - Partnership to Achieve Goals	Fund Allocation of IDR3,175,632,050, - Implementation period: January-December	The vehicle assistance is provided to the district government or private parties whose program activities are synergized
5.	Infrastructure assistance for handling Covid-19	TPB No 3 - Healthy and Prosperous Life	Fund Allocation of IDR2,187,410,000 Implementation period: January-December	There are 8 (eight) Regency / City Offices / Agencies funded by infrastructure assistance for handling Covid-19
6.	Scholarship assistance and educational facilities for district / city schools / educational institutions	TPB No 4 - Quality Education	Fund Allocation of IDR537,619,000 Implementation period: January - December	There are 8 (eight) regency / municipal schools / educational institutions that have been provided with scholarship assistance and educational infrastructure
7.	Assistance for piping and proper sanitation for districts / cities	TPB No. 6 - Clean Water and Proper Sanitation	Fund Allocation of IDR1,858,124,000 Implementation period: January - December	There are 5 districts / cities that have been given funding assistance for pipeline and proper sanitation
8.	Infrastructure assistance for places of worship	TPB No 16 - Peace, Justice and Strong Institutions	Fund Allocation of IDR688,504,069, - Implementation period: January - December	There are 2 (two) places of worship that are given assistance funds for infrastructure
9.	Assistance to repair houses unfit for habitation for people in East Java	PB No 1 - Poverty alleviation	Fund Allocation of IDR517,500,000 Implementation period: January - December	RTLH assistance of approximately 35 units

No.	Type of activity TJSL	Continuous Development Purpose	Explanation	Achievements
10	ADM machine assistance, glamping ground, nature conservation, development of river estuary tourism, hydroponic agriculture, development of public market facilities and infrastructure, container booths in the tourist area of umis resources, arrangement of fort parks, construction of the bekisar chicken mascot monument	PB No. 9 - Industry, innovation and infrastructure	The submission is submitted through the District / City Bappeda so that it is directed and does not overlap with each other in assistance	The assistance is so that all people can enjoy the facilities and can mutually improve the development and potential in each district / city

Costs Issued Relating to Social Responsibility in The Field of Social Community Development

Head Office / Branch	Field	Activities	Month	Nominal (IDR)	Impact
Headquarters	Culture (Sports)	Volleyball in January	August	35.800.000	It is hoped that the outstanding junior athletes of Bank Jatim can feel the company's concern, so that they can increase the athletes' loyalty to Bank Jatim.
		Volleyball in February	August	35.800.000	
		Volleyball for March	August	35.800.000	
		Volleyball in April	August	35.800.000	
		Volleyball in May	August	35.800.000	
		Volleyball in June	August	35.800.000	
		Volleyball for July	August	35.800.000	
		Volleyball in August	August	35.800.000	
		Volleyball for September	December	35.800.000	
		Volleyball in October	December	35.800.000	
		Volleyball in November	December	35.800.000	
		Volleyball for December	December	35.800.000	
	Social	Providing assistance to the blessed stalls along with the empowerment of IZI Disability shoes care	July	94.200.000	It is hoped that the provision of assistance in the form of Blessings and the Shoes and Care Program for People with Disabilities can help and support people with disabilities and underprivileged communities to be able to have independent businesses without depending on continuous assistance.
	Social	Foster parents in 2020 @ IDR 120,000	July	24.000.000	Can participate in showing concern for children in need.
	Health	Participation in PCR car assistance for the East Java provincial government	December	1.500.000.000	Functioned to read the results of the PCR swab so that it helps detect patients exposed to COVID-19 so that they can be handled more quickly, and the car will be placed in strategic locations so that it can be used by the people of East Java Province
	Social	Assistance for facilities and infrastructure for the St. Cornelius Madiun Parish Church	November	199.500.000	It is hoped that the provision of CSR in the form of providing facilities (furniture, chairs, pulpit, sound system, tabernacle, bells) to the Parish Church "Santo Cornelius" Madiun aims to create tolerance between religious communities in the surrounding environment and help provide facilities to support the smooth running of worship activities to make it more comfortable, and safe

Head Office / Branch	Field	Activities	Month	Nominal (IDR)	Impact
	Health	Procurement of Polyclinic facilities at An Nur Islamic Boarding School 1, Malang Regency	November	152.890.000	It is hoped that the provision of CSR in the form of provision of polyclinic facilities aims to improve medical treatment and health recovery services in accordance with the standard medical needs for the surrounding community and in particular for all students.
	Social	Unisma Mosque carpet assistance	December	244,530,000	It is hoped that the provision of CSR in the form of procurement of carpets for the Ainul Yaqin mosque aims to provide comfort for the congregation in carrying out religious activities with various taklim assemblies and at the same time beautifying the mosque so that it looks clean and tidy.
Malang	Social	Procurement of 1 unit of operational car for the PKK driving team in Malang City	December	484.600.000	It is hoped that the provision of CSR assistance in the form of PKK operational cars can help distribute aid and compensation to poor people in Malang City Districts and Villages and can be used in reviewing and monitoring POKJA-POKJA which are carried out in accordance with the PKK program.
Madiun	Health	Manufacture of automatic hand washing equipment and hand sanitizers in Madiun Regency	November	112.915.000	It is hoped that the assistance of 36 portable sink units and 41 units of automatic handsanitizer booths aims to make it easier for rural communities to wash their hands and hope to break the chain of the spread of COVID-19 in Madiun Regency and its surroundings.
	Social	Making a container booth in the tourist area of Umis City of Madiun	December	551.890.000	It is hoped that the assistance of 1 (one) single container booth unit and 1 (one) double container booth unit in the Sumber Umis Tourism Area, Madiun City can improve the welfare and economy of the Community in the Madiun Region, and can centralize street vendors so that Madiun City planning is more beautiful and comfortable.
Kediri	Health	Aid for Ikat Weaving Mask for Kediri City	October	86.250.000	lowering the status of the spread of COVID-19 from the yellow zone to the green zone.
	Social	assistance for UMKM equipment in Kediri Regency	November	299.887.500	Growing, improving and developing MSMEs in Kediri Regency.
	Social	Kediri City UMKM equipment assistance	December	213.017.000	Growing, improving and developing MSMEs in the City of Kediri.
Pamekasan	Social	Pamekasan Regency UMKM equipment assistance	July	411.335.000	Creating new entrepreneurs so that they can reduce unemployment.
Bojonegoro	Social	Assistance to repair RTLH 10 units of Bojonegoro Regency	October	100.000.000	It is hoped that the CSR provision in the form of repairing houses that are unfit for habitation in Bojonegoro Regency is expected to help families who are in dire need of repairs so that the allocation of funds to purchase these materials can be used by residents to purchase basic necessities or other necessities.
	Health	Construction of 200 healthy latrines in Bojonegoro district	October	534.200.000	It is hoped that with the provision of CSR in the form of construction of 200 latrine units for poor people in the Bojonegoro Regency area, it can participate in maintaining and improving hygiene and health in the Bojonegoro Regency area.
Lumajang	Social	Assistance for the glamping ground tour of Ranu Regulo, Lumajang Regency	September	266.675.000	Exploring the potential of the Ranu Regulo tourist area in Lumajang Regency.

Head Office / Branch	Field	Activities	Month	Nominal (IDR)	Impact
Ngawi	Social	Assistance for 1 unit of operational car for PMI Ngawi Regency	November	437.683.000	It is hoped that the provision of CSR assistance in the form of operational cars can make it easier for PMI officers to carry out service activities for the people of Ngawi Regency, assistance, mentoring, various volunteer dispatches and other operational activities.
Jombang	Social	Providing 1 unit mobile tax service car to the Regional Revenue Agency of Jombang Regency	June	230.117.050	Assist in the implementation of optimal services in inviting the people of Jombang Regency to pay taxes in an orderly manner.
Probolinggo	Health	2000 units of rapid test equipment	July	248.000.000	It is hoped that the provision of CSR in the form of assistance of 2,000 units of rapid test kits to the Probolinggo City Government aims to reduce the spread of the COVID-19 Virus as early as possible. So that an examination is carried out in the form of a rapid test.
Kraksaan	Education	Assistance of 1 Toyota Hiace car as a means of transportation for the activities of the HATI Islamic Boarding School, Probolinggo Regency	November	511.785.000	Helping the mobilization of underprivileged children who attend the HATI Islamic Boarding School
Blitar	Social	Blitar Regency Nature Conservation Assistance	September	136.050.000	Increase the awareness of various parties about the importance of planting and maintaining sustainable trees in reducing the impact of global warming and to achieve green development of Indonesia.
	Health	1 unit of Ambulance car for PMI Blitar City	October	204.000.000	Improve services to the community, provide humanitarian assistance, social and health services, especially for poor families (Gakin), and others
Tulungagung	Social	Rehabilitation of 17 RTLH units of Tulungagung Regency	November	297.500.000	Providing decent housing for underprivileged people so that it can have an effect on improving the standard of living of the people in the area.
Mojokerto	Social	Manufacture of 304 units of washing hands with soap (TCTPS) for Mojokerto Regency	October	293.664.000	The provision of assistance in the form of providing 304 units of hand washing with soap for Mojokerto Regency aims to make it easier for village communities to wash their hands and hope to break the chain of the spread of COVID-19 in Mojokerto Regency.
		Assistance with the arrangement of the Pancasila fortress park in Mojokerto City	October	374.477.000	It is hoped that the provision of CSR in the form of structuring the Pancasila fortress park in Mojokerto City can provide comfort and beauty so that people are comfortable and enthusiastic in carrying out activities in the central tourist icon of Mojokerto City.
Sumenep	Social	Assistance of 1 unit of independent dukcapil pavilion (ADM) machine for the Sumenep Regency Government	July	179.063.500	It is hoped that the provision of CSR in the form of 1 (one) machine unit (ADM) of the Dukcapil Mandiri Pavilion can help facilitate the production of documents so that the people of Sumenep can easily take care of the ID cards required and required by the Government.
	Health	Assistance of 15 units of bathrooms for the Al-Karimiyyah Islamic Boarding School Kariman Foundation	October	181.374.000	Fostering concern for the surrounding environment in order to create a clean and healthy environment.
Nganjuk	Social	Assistance of tarp cone tents for Nganjuk Regency UMKM tents	June	71.300.000	The provision of assistance in the form of procuring 31 units of cone tents for MSMEs in Nganjuk Regency aims to provide facilities for street vendors to centralize culinary centers in the region.

Head Office / Branch	Field	Activities	Month	Nominal (IDR)	Impact
	Social	Assistance for 1 unit of public information vehicle for Nganjuk Regency	June	424.079.000	It can be useful for the people of Nganjuk Regency in the disclosure of information related to regional policies and the needs of the general public in the Nganjuk Regency area.
Ponorogo	Social	Assistance for mobile library cars in Ponorogo Regency	July	255.035.000	It is hoped that the provision of CSR in the form of a library car and traveling tales can provide better services to the Ponorogo community.
	Education	Assistance in procuring 23 laptops to the Ponorogo Regency Department of Education	October	163.330.000	It is hoped that the provision of CSR in the form of procurement of 23 laptops can be used as support for educational facilities, this is one of the efforts of Bank Jatim, Ponorogo Branch to contribute in building a Corporate Image and synergize with local governments in regional development and care for the quality of education in Ponorogo Regency. especially.
Pacitan	Social	Los PKL rehabilitation	November	285.957.513	Improve facilities and infrastructure in the area of Pacitan Regency Square.
Trenggalek	Social	Agricultural equipment assistance and clean water piping in Trenggalek Regency	July	145.700.000	Improve the quality of crops and create community welfare through coffee cultivation.
	Social	Assistance of a 3-wheeled motorbike for collecting garbage from Tre	November	101.850.000	provide services for transporting waste from temporary storage places (TPS) to final processing sites (TPA).
Pasuruan	Social	Procurement of operational vehicles for PC NU in Pasuruan Regency	December	454.650.000	It is hoped that the provision of CSR assistance in the form of a PCNU operational car can help distribute aid and compensation to poor people and facilitate assistance, post-disaster assistance and function for sending volunteers and can be used for other operational activities related to the community around Pasuruan.
Sampang	Social	Innova Car Assistance 2, .0 G M / T 1 Unit for the activities of the PKK Kab. Lacquer.	October	330.583.000	To support positive activities for the Sampang community
Bangkalan	Social	Development of river estuary tourism in Bangkalan Regency	July	238.805.000	Exploring the potential of mangrove areas to become eco-tourism.
Sidoarjo	Health	Bantuan Pembanugunan Kamar Kecil untuk RSUD Sidoarjo	Oktober	Rp151.000.000	Memberikan kenyamanan lingkungan sekitar rumah sakit dan terciptanya lingkungan yang bersih.
Gresik	Health	Ventilator assistance for Ibnu Sina Gresik Hospital	October	330.000.000	It is hoped that the provision of CSR in the form of procuring 2 (two) units of HFNC (High Flow Nasal Canule) at the Ibnu Sina Gresik Hospital aims to help cure COVID-19 patients.
	Health	Assistance of 1350 boxes of medical masks for the people of Gresik Regency	September	207.900.000	It is hoped that the provision of CSR in the form of 1,350 mask boxes in Gresik Medical District aims to increase public awareness in wearing and sharing masks in order to prevent transmission of COVID-19.
Lamongan	Health	Assistance in providing patient sets for COVID-19 Hospital in Lamongan Regency	July	388.931.000	It is hoped that the provision of CSR in the form of 20 patient bed sets to the Lamongan Regency COVID-19 Hospital aims to contribute to the health sector and synergize with the local government in regional development and care for the survival of the community in the Lamongan Regency area.

Head Office / Branch	Field	Activities	Month	Nominal (IDR)	Impact
Situbondo	Social	Procurement of public market facilities and infrastructure and business groups of Situbondo Regency	November	211.247.000	Increase comfort and safety in shopping at people's markets.
	Social	Construction of floating libraries in grouper villages and procurement of portable trash bins in Situbondo Regency	November	156.148.000	Help keep the environment clean, and attract millennials to continue learning
	Social	Procurement of tractors and garbage boxes at the Salafiyah Syafi'iyah Islamic boarding school, Situbondo Regency	November	300.000.000	Creating a clean, healthy and comfortable educational environment so that students can study with concentration.
Magetan	Social	Assistance of 1 unit of water tanker truck in Magetan Regency	October	389.000.000	It is hoped that with the provision of CSR assistance to the Department of Housing and Settlement of Magetan Regency in the form of the provision of 1 (one) unit of Magetan Regency water tank truck, it can be used to water the city park and maintain the city park area to make it more beautiful, beautiful and comfortable.
Bondowoso	Health	Providing 1 unit of ambulance to Bhayangkara Bondowoso Hospital	June	242.000.000	Assist in improving public health services, reaching people in the mountainous areas of Bondowoso Regency.
	Social	RTLH Assistance for Bondowoso Regency	October	120.000.000	Tackling the poverty rate with house improvements in the Tamanan sub-district, Tlogosari, Tenggarrang district in Bondowoso Regency.
	Social	Hydroponic farming assistance	October	75.000.000	Helping farmers who have unproductive land or lack public waters,
	Health	Bondowoso Regency MCK assistance	October	55.000.000	Maintaining the health of the students by making public facilities that are shared in Islamic boarding schools.
Dr. Sutomo	Health	Haji Hospital Surabaya hearse assistance	September	222.000.000	It is hoped that with the provision of CSR in the form of procuring 1 (one) unit of the Daihatsu Luxio D MT as a hearse in the current pandemic season, it aims to meet the needs of facilities and infrastructure to support services for patients who die at the Surabaya Haj Hospital so that they can be buried immediately.
Perak	Education	Scholarships for 22 UWP students	September	55.000.000	There is no dropout rate due to lecture costs constraints
	Education	Beasiswa untuk siswa/ mahasiswa Barunawati	October	50.000.000	Help provide learning opportunities for underprivileged students / students who have achievements in both academic and non-academic fields
Kangean	Education	Assistance for the construction of the Bekisar Chicken Mascot Monument	October	186.617.000	It is hoped that with the provision of CSR in the form of construction of the bekisar chicken mascot monument in Arjasa Kangean City Square, it can beautify the urban layout of the Kangean Islands, especially in the Arjasa District area so that it can create beautiful beauty and can preserve the culture of the Kangean Islands.
Batu	Social	Assistance of 1 hearse for Batu City social services	October	233.150.000	It was used during the COVID-19 pandemic to carry bodies with indications of COVID-19 from the hospital to a funeral parlor or funeral.
Pare	Health	Kediri Regency UMKM equipment assistance	November	370.700.000	Creating new entrepreneurs so that they can reduce unemployment.

Head Office / Branch	Field	Activities	Month	Nominal (IDR)	Impact
Kepanjen	Social	Providing 750 PPE units for Bappeda Malang Regency	August	519.750.000	It is hoped that with the provision of CSR assistance, 750 units of personal protective equipment (APBD), medical workers can work optimally in handling so that optimal services can be provided and can help the community safely and at the same time prevent the spread of the impact of the COVID-19 virus in Malang Regency.
Sy. Malang	Health	Assistance of 10 sewing machines for Kopkar Pindad Turen	July	30.454.000	Increase production so that it will create new jobs.
Sy. Madiun	Social	Assistance for facilities and infrastructure for the Al-Irsyad Al Islamiyyah Foundation in Madiun City	September	31.995.000	Facilitate the teaching and learning process and understand the material.
Sy. Sidoarjo	Education	Assistance of 3 air conditioners for SMP Muhammadiyah 1 Sidoarjo	November	22.000.000	Streamlining the learning and teaching process as well as comfort in carrying out activities at school.
Sy. Kediri	Education	Al Hikmah Foundation infrastructure assistance	August	8.896.000	Streamlining the learning and teaching process as well as comfort in carrying out activities at school.
	Education	Al Huda Foundation infrastructure assistance	September	3.250.000	Streamlining the learning and teaching process as well as comfort in carrying out activities at school.
	Education	Ar Rohmah Foundation infrastructure assistance	September	13.000.000	Streamlining the learning and teaching process as well as comfort in carrying out activities at school.
TOTAL				15.653.530.563	

OJK Reference Index

Criteria	Descriptions	Page
General		
The annual report is presented in proper and correct Bahasa Indonesia and is recommended to be presented in English as well. The annual report is presented in proper and correct Bahasa Indonesia and is recommended to be presented in English as well.		✓
The annual report is printed in fine quality, with easy-to-read font types and sizes.		✓
The annual report presents clear identity of the company	Company name and the year of the Annual Report are shown in: 1. Front cover; 2. Side margin; 3. Back cover; and 4. Each page	✓
The annual report is available at company website	Including current annual report and the annual reports from at least the last 4 years.	✓
Key Financial Highlights		
Information on Company's operating results with comparisons of 3 (three) fiscal years or since the starting of the company if the business activities have run for less than three (3) years	The information encloses, among others: 1. Sales/revenues; 2. Profit (loss): a. Attributable to the owner of the holding entity; and b. Attributable to non-controlling interest 3. Total comprehensive profit (loss) and other comprehensive income: a. Attributable to the owner of the holding entity; and b. Attributable to non-controlling interest; and 4. Profit (Loss) per Share Note: For a company with no subsidiaries, the company presents the profit (loss) and other profit (loss) and other comprehensive income in total.	21-23
Information on Company's financial position with comparisons of three (3) fiscal years or since the starting of the company if the business activities have run for less than three (3) years	The information encloses, among others: 1. Total investments in associates; 2. Total assets; 3. Total liabilities; and 4. Total equity.	20-21
Financial ratios with comparisons of three (3) fiscal years or since the starting of the company if the business activities have run for less than three (3) years	The information encloses five (5) financial ratios that are common and relevant to company's industry. Financial ratios, including at least: 1) Capital Adequacy ratio (KPMM); 2) Return on Assets ratio (ROA); 3) Return on Equity ratio (ROE); 4) Non-performing earning assets and non-earning assets have problems with total productive assets and non-productive assets; 5) non-performing productive assets to total productive assets; 6) Allowance for Impairment Losses (CKPN) of financial assets against productive assets; 7) Non-performing Loans (NPL) ratio; 8) Operating Expenses to Operating Income ratio (BOPO); 9) Cost to Income ratio (CIR); 10) Net Interest Margin ratio (NIM); 11) Percentage of violations and exceedances of the Legal Lending Limit (BMPK); 12) Minimum Statutory Reserves (GWM) ratio; and 13) Net Open Position (NOP) ratio;	23

Criteria	Descriptions	Page
Information on stock price in tables and charts	<ol style="list-style-type: none"> 1. Number of outstanding shares; 2. The information in tables and charts covers <ol style="list-style-type: none"> a. Market capitalization by prices in Stock Exchange where the shares are listed; b. The highest, lowest, and closing price of shares; and c. Trading volume where the shares are listed. 3. Information in charts contains at least: <ol style="list-style-type: none"> a. Closing price and share trading volume b. Trading volume where the shares are listed For each quarter of the last two (2) fiscal years. <p>Note: if the company shall disclose information on share prices and trading volume if such company does not have market capitalization.</p>	24-26
Information on outstanding bonds, sukuk, or convertible bonds of the last two (2) fiscal years	<p>The information covers:</p> <ol style="list-style-type: none"> 1. Number of outstanding bonds/sukuk/convertible bonds; 2. Interest rate/yield; 3. Maturity date; and 4. Bonds/sukuk rating in 2019 and 2020. <p>Note: if the company shall disclose information on outstanding bonds, sukuk, or convertible bonds if such company does not have market capitalization</p>	27
Board of Commissioners and Board of Directors Reports		
Board of Commissioners Report	<p>Containing the following:</p> <ol style="list-style-type: none"> 1. Assessment on Board of Directors' performance on company management and the basis for the assessment; 2. Perspective on company business outlook set by Board of Directors and its consideration basis; 3. Prospective on the implementation/management of whistleblowing system (WBS) in the company and the role of Board of Commissioners in such WBS; and 4. Changes in Board of Commissioners' composition and the reason behind the change (if any). 	34-39
Board of Directors Report	<p>Containing the following:</p> <ol style="list-style-type: none"> 1. Analysis on company performance, which among others covers: <ol style="list-style-type: none"> a. Strategic policies; b. Comparisons between realizations and targets; and c. Challenges faced by the company and its settlement measures. 2. Analysis on business outlook; 3. Development of the implementation of corporate governance in the fiscal year; and 4. Changes in Board of Director's composition and the reason behind the change (if any) 5. Organizational structure; 6. Main activity; 7. Information technology; 8. Types of products and services offered, including lending to micro, small and medium enterprises; 9. Interest rates for accumulation and provision of funds; 10. Economic development and target markets; 11. Networks and business partners at home and / or abroad; 12. Number, type and location of offices; 13. Ownership of the board of directors, commissioners and shareholders in the Bank business group; 14. Important changes that occurred in the Bank and the Bank's business group during the year concerned; 15. Important things that are predicted to happen in the future; and 16. Human resources include the number, level of education, training, and human resource development. 	40-53

Criteria	Descriptions	Page
Board of Directors and Board of Commissioners' signatures	containing the following: 1. Signatures are given on separate sheets; 2. Statement of full accountability on the accuracy of the annual report contents by Board of Directors and Board of Commissioners; 3. Signed by all members of Board of Commissioners and Board of Directors by stating names and positions; and 4. Written explanation in separate letter from the person(s) concerned in the event that a member of Board of Commissioners or Board of Directors fails to sign the annual report, or written explanation in separate letter from the other member(s) in the event that the person(s) concerned fails to provide a written explanation.	54-55
Company Profile		
Name and complete address of the company	The information contains among others: name and address, postal code, phone number(s), facsimile, e-mail, and website address.	58
Brief history of the company	Consisting among others: date/year of establishment, name, changes in company name (if any), and effective date for such changes in company name. Note: explanation shall be given in the event that the entity has never made any change to the name	60-61
Line of business	Description of, among others: 1. Company's business activities in accordance with the latest articles of association; 2. Business activities engaged; and 3. Generated products and/or services	62-75
Organizational structure	In a chart, consisting of names and positions, at least up to one level under the Board of Directors.	78-79
Company Vision, Mission, and Culture	Containing: 1. Company vision; 2. Company mission; 3. Explanation that the vision and mission have been reviewed and agreed upon by Board of Directors/Board of Commissioners. 4. Statement on corporate culture adhered by the company.	80-83
Identity and brief CV of Board of Commissioners members	The information encloses, among others: 1. Name; 2. Position and term of office (including position in the company or other institutions); 3. Age; 4. Domicile; 5. Educations (Field of Study and Educational Institution); 6. Work experience (Position, Institution, and Term of Office); 7. History of the appointment (period and position) as Board of Commissioners' member since initial appointment.	84-89
Identity and brief CV of Board of Directors members	The information encloses, among others: 1. Name; 2. Position and term of office (including position in the company or other institutions); 3. Age; 4. Domicile; 5. Educations (Field of Study and Educational Institution); 6. Work experience (Position, Institution, and Term of Office); 7. History of the appointment (period and position) as Board of Commissioners' member since initial appointment.	92-96
Total number of employees (2 years' comparison) and data of competency development that reflects the opportunity for every organizational level	The information encloses, among others: 1. Number of employees for each organizational level; 2. Number of employees for each educational level; 3. Number of employees by employment status; 4. Data of undertaken employee competency developments in fiscal year containing parties (Position level) attending the training, type of trainings, and purpose of trainings; and 5. Incurred costs for employee competency development in the fiscal year.	108-115

Criteria	Descriptions	Page
Shareholder Competition	Containing, among others: 1. Detailed name of shareholders covering 20 largest shareholders and their shareholding percentage; 2. Details of shareholders and their shareholding percentage, which include: a. Name of shareholders with 5% or more percent of shares; b. Public shareholding groups with their respective shareholding of less than 5%. 3. Name of Directors and Commissioners holding direct or indirect shares and their percentages; Note: Explanation shall be given in the event of Directors and Commissioners do not hold direct or indirect shares.	116-120
List of subsidiaries and/or associates	In the form of table containing the following information: 1. Names of subsidiaries and/or associates; 2. Shareholding percentage; 3. Explanation on the subsidiaries and/or associates' lines of business; and 4. Explanation on the operational status of the subsidiaries and/or associates (in operation or has not yet operating).	121
Company group structure	Company group structure in a chart describing subsidiaries, associates, joint ventures, and special purpose vehicles (SPVs).	121
Share listing chronology (including private placement) and/or share listing from the initial listing to the end of fiscal year	Containing, among others: 1. The year of shares issuance, number of shares, shares par value, and share offering price for each of corporate action; 2. Number of shares listed following the corporate actions; 3. Name of stock exchange where the shares are listed. Note: Explanation shall be given in the event of the company does not have share listing chronology.	122-123
Issuance and/ or other securities listing chronology from the initial listing to the end of fiscal year	Containing, among others: 1. Name of other securities, year of other securities issuance, interest/ yield rate, and the maturity date of other securities; 2. Other securities offering price; 3. Name of stock exchange where the other securities are listed; and 4. Rating of securities. Note: Explanation shall be given in the event of the company does not have other securities issuance and listing chronology.	124
Names and addresses of capital market supporting institutions and/or professions	The information encloses, among others: 1. Name and address of Securities Administration Bureau (BAE)/parties administrating company's shares; 2. Name and address of Public Accounting Firm; and 3. Name and address of rating agency.	124-125
Awards received in the last financial year and / or certification that is still valid in the last financial year both national and international scale	Containing descriptions of 1. Name of award and/or certification; 2. Year of award and/or certification; 3. Agency for awarding and/or certification; and 4. Validity period (for certification).	126-131
Names and addresses of subsidiaries and / or branch offices or representative offices (if any)	Memuat informasi antara lain: 1. Nama dan alamat entitas anak; dan 2. Nama dan alamat kantor cabang/perwakilan. Catatan: apabila perusahaan tidak memiliki entitas anak, kantor cabang, dan kantor perwakilan, agar diungkapkan	132-133
Information on Company Website	Covering at least: 1. Information on shareholders to last individual owners; 2. Contain of the Code of Ethics; 3. Information on General Meeting of Shareholders (GMS) at least covering the agenda discussed in GMS, minutes of GMS, and important dates i.e. GMS announcement date, GMS summon date, GMS date, GMS minutes announcement date; 4. Separate Annual financial statements (last 5 years); 5. Board of Commissioners and Board of Directors Profiles; and 6. Charter of the Board of Commissioners, Board of Directors, Committees, and Internal Audit Unit.	133

Criteria	Descriptions	Page
Educations and/or trainings for the Board of Commissioners, Board of Directors, Committees, and Internal Audit Unit.	Covering at least the following information (type and parties eligible to attend): 1. Educations and/or trainings for the Board of Commissioners; 2. Educations and/or trainings for the Board of Directors; 3. Educations and/or trainings for Audit Committee; 4. Educations and/or trainings for Nomination and Remuneration Committee; 5. Educations and/or trainings for Other Committees; 6. Educations and/or trainings for Corporate Secretary; and 7. Educations and/or trainings for Internal Audit Unit; Attended in the fiscal year Note: Explanation shall be given in the event of there are no educations and/or trainings in the fiscal year.	134-139
Management Discussion and Analysis on Company Performance		
Operational review per business segment	Containing descriptions of: 1. Explanation of each business segment. 2. Performance of each business segment, among others: a. Productions; b. Increase/decrease in business capacity; c. Sales/operating revenues; and d. Profitability.	150-174
Description of company's financial performance	Analysis on financial performance containing comparison between current financial performance and previous year's financial performance and causes for the increase/decrease (in narration and tables), among others concerning: 1. Current assets, non-current assets, and total assets; 2. Short-term liabilities, long-term liabilities, and total liabilities; 3. Equity; 4. Sales/revenues, expenses and profit (loss), other comprehensive incomes and total comprehensive profit (loss); and 5. Cash flow. 6. The basic interest rate on credit 7. Analysis of the quality of productive assets and relevant financial ratios.	175-195, 231, 200
Discussion and analysis on company solvency and liquidity by presenting ratios that are relevant to company's industry	Explanation on: 1. Solvency for short- and long-term debts; and 2. Receivables collectability.	196-199
Discussion on capital structure and capital structure policy	Explanation on: 1. Capital structure, consisting of interest-based debts and equity; 2. Management policies on the capital structure (capital structure policies); and 3. The basis for Capital structure policies.	206-207
Discussion on material commitments for capital goods investments (other than funding commitment) in the last fiscal year	Explanation on: 1. The name of parties engaging in the commitment 2. Purpose of the commitments; 3. Sources of funds expected to meet these commitments; 4. Currency used; and 5. Planned measures to protect the company from risks arising from relevant currency position. Note: explanation shall be given in the event that the company does not have any commitments relating to capital investments in the last fiscal year.	207
Discussion on capital investments realized in the last fiscal year	Explanation on: 1. Type of capital investments; 2. Purposes of the capital investments; and 3. Value of capital investment spent in the last fiscal year. Note: explanation shall be given in the event that any capital investment realizations are non-existent	207
Information on comparisons between beginning of fiscal year's targets and realizations, and expected targets or projection for the coming year relating to revenue, profit, and other matters considered important to the company	The information encloses, among others: 1. Comparisons between beginning of year's targets and realizations; and 2. Expected targets or projection for the coming year.	208-212

Criteria	Descriptions	Page
Information and material facts occurring after accountant's reporting date	Description of significant events after accountant's reporting date including their effects on business performance and risks in the future. Note: explanation shall be given in the event that any significant events after accountant's reporting date are nonexistent.	213
Description on company's business outlook	Description on company's business outlook is related to industry and economy in general accompanied by quantitative supporting data from trustworthy source of data.	213-214
Description on marketing aspect	Description on marketing aspect on company products and/or services, among others marketing strategies and market share.	146-150
Description on dividend policy and amount of cash dividends per share and amount of dividends per year announced or paid for the last two (2) fiscal years.	Containing descriptions of: 1. Policy on dividend sharing; 2. Total dividends shared; 3. Amount of cash dividends per share; 4. Payout ratio; and 5. Date of announcement and payment of cash dividends. For each year. Note: explanation shall be given in the event that any dividend sharing is nonexistent.	214-215
Employee and/or Management Stock Ownership Plan (ESOP/ MSOP) carried out by the company existing until the end of fiscal year	Containing descriptions of: 1. Total ESOP/MSOP shares and its realization; 2. Term; 3. Requirements for entitled employees and/or management; and 4. Exercise price. Note: explanation shall be given in the event that the program concerned is non-existent	215-217
Realization of the use of proceeds from public offering (in the event that the company still has the obligation to report the proceed use realization)*	Containing descriptions of: 1. Total proceeds; 2. Planned use of the proceeds; 3. Detailed use of the proceeds; 4. Balance of proceeds; and Date of GMS/GMB approval on changes in the use of proceeds (if any). Note: explanation shall be given in the event that there is no information regarding realization of the use of proceeds from public offering.	217-218
Information on material transactions containing conflicts of interest and/or transactions with affiliates	Containing descriptions of: 1. Name of affiliates and the nature of affiliation; 2. Explanation on the fairness of transaction; 3. Reason behind the transaction; 4. Realization of transactions in the last fiscal year; 5. Company policy relating to review mechanism on transactions; and 6. Compliance with relevant regulations and provisions. Note: explanation shall be given in the event that any transaction concerned is nonexistent.	218-221
Description on regulatory changes having significant impact on the company	The description contains among others: 1. Regulatory changes; and 2. Their impacts (qualitative and quantitative) on the company (if significant) or statements stating that the impacts are insignificant. Note: explanation shall be given in the event that any regulatory changes having significant impacts on the company are nonexistent in the last fiscal year.	221-227
Description on changes in accounting policies applied by the company in the last fiscal year	The description includes among others: 1. Changes in accounting policies; 2. Their reasons; and 3. Impacts toward financial statements. Note: explanation shall be given in the event that any changes in accounting policies are nonexistent in the last fiscal year.	228-229
Information on business continuity	Disclosure of information includes: 1. Matters which potentially inflict significant impact on company's business continuity for the last fiscal year; 2. Management assessment on matters in point 1; and 3. Assumptions used by the management in performing the assessment. Note: in the event that any matters which potentially inflict significant impact on company's business continuity for the last fiscal year are nonexistent, the assumptions used as the basis for the management in assuring that such matters are nonexistent shall be disclosed.	229

Criteria	Descriptions	Page
Good Corporate Governance		
Board of Commissioners description	The description includes, among others: 1. Description of Board of Commissioners' responsibilities; 2. Assessment on the performances of committees under the Board of Commissioners and the basis for such assessment; and 3. Disclosure of the Board Charter (guidelines and codes of conduct for Board of Commissioners).	291, 308, 293-294
Information on Independent Commissioners	Covering, among others: 1. The criteria for Independent Commissioners appointment; and 2. Statement of independency of each Independent Commissioner.	297-298
Board of Directors description	The description includes, among others: 1. Scopes of duties and responsibilities of each Board of Directors member; 2. Assessment on the performances of committees under the Board of Directors (if any); and 3. Disclosure of the Board Charter (guidelines and codes of conduct for Board of Directors).	313-315, 322-323
Assessment of the implementation of GCG for fiscal year 2020 covering at least Board of Commissioners and Board of Directors aspects.	Containing explanations on, among others: 1. Criteria used for the assessment; 2. Assessing party; 3. Assessment score for each criteria; 4. Recommendation of the assessment results; and Reasons on why the recommendations are/has not been implemented. Note: explanation shall be given in the event of the GCG implementation assessment for fiscal year 2016 is nonexistent.	445-446
Description of remuneration policy for Boards of Commissioners and Board of Directors	Containing, among others: 1. Disclosure of remuneration procedures to the determination for the Board of Commissioners; 2. Disclosure of remuneration procedures to the determination for the Board of Directors; 3. Remuneration structure which shows the remuneration components and amount of value per component for each Board of Commissioners' member; 4. Remuneration structure which shows the remuneration components and amount of value per component for each Board of Directors' member; 5. Disclosure of indicators for the determination of Board of Directors' remuneration; and 6. Disclosure of performance bonus, non-performance bonus, and/or shares option received by each Board of Commissioners' and Board of Directors' member (if any). Note: explanation shall be given in the event of performance bonus, non- performance bonus, and/or shares option received by each Board of Commissioners' and Board of Directors' member are nonexistent.	398-401
Frequency and attendance rate in BOC Meetings, BOD meetings, and BOC-BOD joint meetings	The information encloses, among others: 1. Meeting date; 2. Meeting participants; and 3. Meeting agenda For each BOC meeting, BOD meeting, and joint meeting.	300-305, 317-319
Information on majority and controlling shareholders, both direct and indirectly, to individual holders	In schematic chart or diagram, that differs the main shareholders and controlling shareholders. Note: he main shareholder is the party which, either directly or indirectly, holds at least 20% (twenty percent) of the voting rights of all shares with voting rights issued by a company, but not a controlling shareholder.	281

Criteria	Descriptions	Page
Disclosure of affiliations among the members of Board of Directors, Board of Commissioners, and Majority and/or Controlling Shareholders	Containing, among others: 1. Affiliations among Board of Directors' fellow members; 2. Affiliations among Board of Directors members and Board of Commissioners members; 3. Affiliations among Board of Directors members and Majority and/or Controlling Shareholders; 4. Affiliations among Board of Commissioners' fellow members; and 5. Affiliations among Board of Commissioners' members and Majority and/or Controlling Shareholders. Note: explanation shall be given in the event that any concerned affiliations are nonexistent.	295, 316
Audit Committee	Containing, among others: 1. Name and position of Audit Committee members; 2. Educational history qualifications (field of study and educational institution) and work experience of Audit Committee members (Position, Institution, and Term of Office); 3. Audit Committee members' independency; 4. Description of Audit Committee's duties and responsibilities; 5. Brief report on Audit Committee members' activities in the fiscal year; and 6. Frequency of meetings and attendance rate of Audit Committee members.	325-329
Nomination and/or Remuneration Committee	Containing, among others: 1. Name, position, and brief CV of Nomination and/or Remuneration Committee members; 2. Independency of Nomination and/or Remuneration Committee members; 3. Description of duties and responsibilities; 4. Description of implementation of activities of Nomination and/or Remuneration Committee members in the fiscal year; 5. Frequency of meetings and attendance rate of Nomination and/or Remuneration Committee members; 6. Statement about the existence of guidelines for Nomination and/or Remuneration Committee; and 7. Policy relating to Board of Directors' succession.	329-335
Other committees under the Board of Commissioners owned by the company	Containing, among others: 1. Name, position, and brief CV of other committee members; 2. Independency of other committee members; 3. Description of duties and responsibilities; 4. Description of the implementation of activities of other committees in the fiscal year; and 5. Frequency of meetings and attendance rate of other committees.	335-340
Description of duties and function of Corporate Secretary	Containing among others: 1. Name and brief CV of the corporate secretary; 2. Domicile; 3. Description of the duties and responsibilities; and 4. Descriptions on the implementation of Corporate Secretary's duties in fiscal year.	341-342
Description on internal audit unit	Containing, among others: 1. Name of internal audit unit head; 2. Number of employees (internal auditors) in internal audit unit; 3. Certification for internal audit professions; 4. Internal audit unit position in corporate structure; 5. Brief report on internal audit unit's implementation of activities; and 6. Parties appointing and dismissing head of internal audit unit.	343-349
Public Accountant	The information encloses, among others: 1. Number of periods in which a public accountant has conducted annual audit on financial statements for the last five (5) years; 2. Name and the year in which a Public Accounting Firm has conducted annual audit on financial statements for the last five (5) years; 3. Amount of fee for each service provided by public accountant in the last fiscal year; and 4. Other services provided by the accountant apart from annual audit on financial statements in the last fiscal year. Note: explanation shall be given in the event that any services are nonexistent.	402-403

Criteria	Descriptions	Page
Description on company risk management	Containing, among others: 1. Explanation on risk management system applied by the company; 2. Explanation on review on risk management system in the fiscal year; 3. Explanation on risks faced by the company; and 4. Risk management efforts.	403-411
Description on internal control system	Covering, among others: 1. Brief explanation on internal control system, among others concerning financial and operational control; 2. Explanation on compliance with internal control system with internationally- recognized framework (COSO – internal control framework); and 3. Explanation on review conducted on internal control system implementation in the fiscal year.	411-413
Description of corporate social responsibility related to social responsibility management covers these following matters	1. Information on commitment to social responsibility 2. Information on due diligence methods and scope on the social, economic and environmental impacts of company activities 3. Information on important stakeholders affected or influenced by the impact of company activities 4. Information on important socio-economic and environmental issues related to the impact of company activities 5. Information about the scope of corporate social responsibility both as obligation and as excessive obligation 6. Information about the company's strategies and work programs in handling social, economic and environmental issues in stakeholder engagement and increasing value for stakeholders and shareholders 7. Information about various programs that exceeds the company's minimum responsibilities relevant to the implemented business 8. Information about financing and social responsibility budgets	450-456
Description of corporate social responsibility related to Human Rights includes these following matters	1. Information on the commitment and policy of social responsibility related to Human Rights as a core subject 2. Information on the formulation of the company's scope of social responsibility related to Human Rights as a core subject 3. Information about corporate social responsibility planning in the aspect of Human Rights 4. Information about implementing CSR initiatives in the aspect of human rights 5. Information about achievements and awards for CSR initiatives in the aspect of human rights	457-459
Description of corporate social responsibility related to fair operations covets these following matters	1. Information on social responsibility commitments and policies in the aspect of fair operations as a core subject 2. Information about company's formulation of CSR in the aspect of fair operations as a core subject 3. Information about planning corporate social responsibility in the field of fair operations 4. Information about implementing CSR initiatives on the aspect of fair operations 5. Information about achievements and awards CSR initiatives on the aspect of fair operations	460-462
Description of corporate social responsibility related to the environment includes these following matters	1. Information about environmental commitments and policies 2. Information about important environmental impacts and risks that are directly or indirectly related to the company 3. Information about the target / plan of activities in 2020 determined by management; 4. Information about activities implemented and related to environmental programs related to the company's operational activities 5. Information about the implementation of CSR initiatives related to the environment 6. Information about the achievement of quantitative impacts on these activities such as the use of environmentally friendly and recycled-able materials and energy, the company's waste treatment system, complaints mechanism for environmental problems, consideration of environmental aspects in providing credit to customers, and others. 7. Environmental certification owned by the company.	463-465

Criteria	Descriptions	Page
Description of corporate social responsibility related to employment, health and work safety covers the information about	<ol style="list-style-type: none"> 1. Labor policies and corporate social responsibility core commitments 2. Information on the scope and formulation of social responsibility in the field of employment 3. Information regarding the 2020 target / plan of activities determined by management; and 4. implemented Activities and quantitative impacts on the activities 5. Information related to employment, health and safety and security practices, such as gender equality and employment opportunities, work facilities and safety, employee turnover rates, work accident rates, remuneration, complaints mechanism, labor issues, and others. 	466-468
Description of corporate social responsibility related to responsibility to consumers includes these following matters	<p>Covering, among others:</p> <ol style="list-style-type: none"> 1. 2020 Target / plan of activities determined by management 2. Activities implemented and impacts on the activities 3. Related to product responsibility, such as consumer health and safety, product information, facilities, number and countermeasures for consumer complaints, and others. 	469-471
Description of corporate social responsibility related to social and community development includes information about	<ol style="list-style-type: none"> 1. Policies and commitments of corporate social responsibility as a core subject to social and community development 2. Information about social issues that are relevant to the company 3. Information about social risks managed by the company 4. Information on the scope and formulation of social responsibility in the aspect of social and community development 5. 2020 Target / plan of activities determined by management; 6. implemented Activities and the impacts on the activities; and 7. Cost expense related to social development and communities, such as the use of local labor, empowerment of communities around the company, improvement of social facilities and infrastructure, other forms of donations, communication about anti-corruption policies and procedures, training on anti-corruption, and others. 	472-479
Significant cases currently faced by the company, subsidiaries, and Board of Directors and/ or Board of Commissioners member(s) serving during the annual report period	<p>Covering, among others:</p> <ol style="list-style-type: none"> 1. Principal case/lawsuit; 2. Dispute/lawsuit settlement status; 3. Risk faced by the company and amount of dispute/lawsuit settlement; and 4. Administrative sanctions imposed to the company, Board of Commissioners and Board of Directors members, by relevant authorities (capital market, banking, and others) for the latest fiscal year (or if any statement confirming no imposition of administrative sanction exists). <p>Note: explanation shall be given in the event that any significant cases faced by the company, subsidiaries, Board of Commissioners and Board of Directors members are nonexistent.</p>	416-418
Access to company information and data	Description on the availability of company information and data to public, such as through website (in Bahasa Indonesia and English), mass media, mailing list, bulletin, analyst meeting, etc.	418-423
Discussion on code of conduct	<p>Consisting description, among others on:</p> <ol style="list-style-type: none"> 1. Code of conduct contents; 2. Disclosure that the code of conduct applies to all levels of organization; 3. Dissemination of the code of conduct; 4. Types of sanction for each code of conduct violation; and 5. Number of code of conduct violation and the sanctions imposed in the last fiscal year. <p>Note: explanation shall be given in the event that any codes of conduct violations are nonexistent in the last fiscal year.</p>	423-427

Criteria	Descriptions	Page
Disclosure of whistleblowing system	Consisting of description on whistleblowing system mechanism, among others: 1. Whistleblowing delivery; 2. Whistleblower protection; 3. Handling of complaints; 4. Parties handling the complaints; and 5. Number of complaints received and processed in the last fiscal year; and 6. Sanction/follow-ups for the complaints which are settled in the fiscal year. Note: explanation shall be given in the event that any incoming complaints are nonexistent in the last fiscal year.	428-431
Policy on the diversity of Board of Commissioners and Board of Directors composition	Description of Company policy on the diversity of Board of Commissioners and Board of Directors composition by education (field of study), work experience, age, and gender. Note: explanation and basis of consideration shall be given in the event that concerned policy is non-existent	431-433
Financial Statements		
Statements from Board of Directors and/or Board of Commissioners on the Accountability on Financial Statements	Financial Statements Page Directors' Statement	FS Pages Board of Directors' Statement Letter
Independent auditor's opinion on the financial statements		Independent auditor's page financial statements
Independent auditor's description on the opinion	The description includes: 1. Names and signatures; 2. Date of Audit Report; and 3. Public Accounting Firm's and Public Accountant's License Numbers.	Independent auditor's page financial statements
Comprehensive financial statements	Comprehensively consisting elements of the financial statements, such as: 1. Statement of financial position; 2. Statement of income and comprehensive income; 3. Statement of changes in equity; 4. Statement of cash flows; 5. Notes to the financial statements; 6. Comparative information on the previous period; and 7. Statements of financial position at the beginning of the previous period presented when an entity applies an accounting policy retrospectively or makes restatement of financial statements posts, or when an entity reclassifies posts in the financial statements (if relevant).	FS Pages 1-174
Comparison of profitability level	Comparison between profit (loss) in current year and the previous year.	FS Pages 3
Statement of Cash Flow	Fulfilling the following requirements: 1. Classification in three categories of activity: operating, investing, and funding; 2. The use of direct method in reporting the cash flow from operating activities; 3. Separation of presentation between cash receipts and/or cash expenses for the current year in operating, investing, and funding activities; and 4. Disclosure of non-cash transaction must be included in the notes to the financial statements.	FS Pages 5-6
Accounting Policy Highlights	Consisting at least: 1. Statement of compliance with Financial Accounting Standards (SAK); 2. Basis for the measurement and preparation of financial statements; 3. Income tax; 4. Employee benefits; and 5. Financial instruments.	FS Pages 13-55
Disclosure of transactions with related parties	Items disclosed among others are: 1. Names of related parties and the nature of relationship with these parties; 2. Transactional value and its percentage against total revenue and relevant expenses; and 3. Total balance and its percentage against total assets or liabilities.	FS Pages 116-118

Criteria	Descriptions	Page
Disclosure of matters relating to taxation	<p>Matters need to be disclosed:</p> <ol style="list-style-type: none"> 1. Fiscal reconciliation and current tax expense calculation; 2. Explanation of relationship between tax expense (income) and accounting profit; 3. Statement acknowledging that Taxable Profits (LKP) from the reconciliation serves as the basis for Corporate Income Tax's Annual Tax Returns (SPT) of 2020; 4. Details of assets and deferred tax liabilities recognized in the financial position statement for each presenting period, and the amount of deferred tax (income) expenses recognized in the income statements if the amount is not visible in the total assets or liabilities of deferred tax recognized in the statements of financial position; and 5. Disclosure of any tax disputes 	FS Pages 97-102
Disclosure of matters relating to fixed assets	<p>Matters need to be disclosed:</p> <ol style="list-style-type: none"> 1. Depreciation method used; 2. Description of accounting policy selected, either revaluation or cost model; 3. Methods and significant assumptions used to estimate fixed assets' fair value (for revaluation model) or disclosure of fixed assets' fair value (for cost model); and 4. Reconciliation of the gross carrying amount and accumulated depreciation of fixed assets at the beginning and the end of period by presenting: addition, reduction, and reclassification. 	FS Pages 37-40, 55, 83-86
Disclosure of operational segment	<p>Matters need to be disclosed:</p> <ol style="list-style-type: none"> 1. General information covering the factors used to identify reported segment; 2. Information regarding profit and loss, assets, and liabilities of the reported segment; 3. Reconciliation of total revenue, profit and loss, assets, liabilities of the reported segment, and other material elements of the segment against relevant amount in the entity; and 4. Disclosure at the level of entity, covering information on products and/or services, geographical area, and main customers. 	FS Pages 50-51, 119
Disclosure relating to Financial Instruments	<p>Matters need to be disclosed:</p> <ol style="list-style-type: none"> 1. Detailed of financial instruments by classification; 2. Fair value and hierarchy of each group of financial instruments; 3. Explanation of risks relating to financial instruments: market risks, credit risks, and liquidity risks; 4. Risk management policies; and 5. Quantitative risk analysis relating to financial instruments. 	FS Pages 13-55, 22, 120-152
Publication of financial statements	<p>Items disclosed among others are:</p> <ol style="list-style-type: none"> 1. Authorized publication date of the financial statements; and 2. The party responsible for the financial statements authorization. 	FS Pages Board of Directors' Statement Letter



Financial Statements







Laporan Keuangan
31 Desember 2020 dan 2019
dan untuk tahun yang berakhir pada tanggal-tanggal tersebut
beserta laporan auditor independen/
Financial Statements
as of December 31, 2020 and 2019
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
TANGGAL 31 DESEMBER 2020 DAN 2019
DAN UNTUK TAHUN YANG BERAKHIR
PADA TANGGAL-TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019
AND FOR THE YEARS
THEN ENDED
WITH INDEPENDENT AUDITOR'S REPORT**

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Laporan Posisi Keuangan	1 - 2	<i>Statement of Financial Position</i>
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**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN TANGGAL
31 DESEMBER 2020 DAN 2019
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.210
Jabatan : Direktur Utama
2. Nama : Ferdian Timur Satyagraha
Alamat kantor : Jl. Basuki Rahmad 98-104
Surabaya
Alamat domisili : Jl. Mulyosari Mapan I/BB-6
Surabaya
Nomor telepon : (031) 5310090 ext.242
Jabatan : Direktur Keuangan

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, 2020 AND 2019
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.210
Position : President Director
2. Name : Ferdian Timur Satyagraha
Office address : Jl. Basuki Rahmad 98-104
Surabaya
Residential address : Jl. Mulyosari Mapan I/BB-6
Surabaya
Telephone : (031) 5310090 ext.242
Position : Finance 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, 09 April 2021 / April 09, 2021

Busrul Iman
Direktur Utama/ President Director

Ferdian Timur Satyagraha
Direktur Keuangan/ Finance Director



Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

Nomor/Number : 00325/2.1030/AU.1/07/1298-1/1/IV/2021

RSM Indonesia
Plaza ASIA, Level 10
Jl. Jend. Sudirman Kav. 59
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Laporan Auditor Independen/ Independent Auditor's Report

Pemegang Saham, Dewan Komisaris dan Direksi/
The Stockholders, Board of Commissioners, and Directors

PT Bank Pembangunan Daerah Jawa Timur Tbk

Kami telah mengaudit laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2020, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

We have audited the accompanying financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk, which comprise the statement of financial position as of December 31, 2020, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung jawab manajemen atas 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.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such 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.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Auditor's responsibility

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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

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 2020, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Penekanan suatu hal

Kami membawa perhatian ke Catatan 56 atas laporan keuangan terlampir yang menjelaskan tentang kondisi perekonomian Indonesia yang terkena dampak dari pandemi global dan di Indonesia karena virus corona. Resolusi kondisi ekonomi ini tergantung pada tindakan pemerintah dan otoritas yang berada diluar kendali PT Bank Pembangunan Daerah Jawa Timur Tbk. Oleh karena itu, pada saat ini dampak masa depan terhadap PT Bank Pembangunan Daerah Jawa Timur Tbk belum dapat diperkirakan. Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

Hal lain

Laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk pada tanggal 31 Desember 2019 dan untuk tahun yang berakhir pada tanggal tersebut diaudit oleh auditor independen lain yang menyatakan opini tanpa modifikasi (No. 00007/3.0355/AU.1/07/1192-2/1/I/2020) atas laporan keuangan tersebut pada tanggal 30 Januari 2020. Seperti dijelaskan dalam Catatan 57 atas laporan keuangan terlampir, PT Bank Pembangunan Daerah Jawa Timur Tbk menyajikan kembali laporan

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

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank Pembangunan Daerah Jawa Timur Tbk as of December 31, 2020, and their financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of matters

We draw attention to Note 56 to the accompanying financial statements which explains the condition of the Indonesian economy affected by the global and local pandemic due to the corona virus. The resolution of this economic conditions depends on the actions of the government and the authority who are beyond PT Bank Pembangunan Daerah Jawa Timur Tbk's control. Therefore, the future impact on PT Bank Pembangunan Daerah Jawa Timur Tbk cannot be estimated at this time. Our opinion is not modified in respect of this matter.

Other matter

The financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk as of December 31, 2019 and for the year then ended were audited by other independent auditor who expressed an unmodified opinion (No.00007/3.0355/AU.1/07/1192-2/1/I/2020) on those financial statements on January 30, 2020. As described in Note 57 to the accompanying financial statements, PT Bank Pembangunan Daerah Jawa Timur Tbk restated its financial statements as of and for the year ended December 31, 2019 in

keuangan tanggal dan untuk tahun yang berakhir pada tanggal 31 Desember 2019 sehubungan dengan pengakuan kewajiban program pensiun manfaat pasti. Laporan keuangan tersebut, yang disajikan kembali ini, diaudit oleh auditor independen lain yang menyatakan opini tanpa modifikasi (No. 00062/3.0355/AU.1/07/1192-2/1/III/2021) atas laporan keuangan tersebut pada tanggal 30 Maret 2021.

connection with the recognition of defined benefit plan obligations. Those financial statements, which are restated, were audited by other independent auditor who expressed an unmodified opinion (No. 00062/3.0355/AU.1/07/1192-2/1/III/2021) on those financial statements on March 30, 2021.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan



Bimo Iman Santoso

Nomor Izin Akuntan Publik: 1298/
Public Accountant License Number: 1298

Jakarta, 9 April/April 9, 2021

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
LAPORAN POSISI KEUANGAN
31 Desember 2020 dan 2019
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019
(Expressed in millions of Rupiah,
unless otherwise stated)**

	Catatan/ Notes	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019 *)	
ASET				ASSETS
Kas	2b,2d,2f,3	2,511,548	2,729,776	Cash
Giro pada Bank Indonesia	2b,2d,2g,4	3,659,968	5,734,527	Current accounts with Bank Indonesia
Giro pada bank lain	2b,2c,2d,2g,5	237,715	111,479	Current accounts with other banks
Cadangan kerugian penurunan nilai	2m, 39e	(53)	(25)	Allowance for impairment losses
		<u>237,662</u>	<u>111,454</u>	
Penempatan pada Bank Indonesia dan bank lain	2b,2c,2d, 2h,6	6,884,658	11,989,584	Placements with Bank Indonesia and other banks
Cadangan kerugian penurunan nilai	2m, 39e	(795)	(2,357)	Allowance for impairment losses
		<u>6,883,863</u>	<u>11,987,227</u>	
Surat berharga	2b,2c,2d,2i,7	14,666,737	9,568,245	Marketable securities
Cadangan kerugian penurunan nilai	2m, 39e	(8,118)	(5,174)	Allowance for impairment losses
		<u>14,658,619</u>	<u>9,563,071</u>	
Surat berharga yang dijual dengan janji dibeli kembali	2d,2j,8	-	1,038,432	Marketable securities sold under repurchased agreement
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali	2d, 9	12,573,044	5,837,520	Receivable from marketable securities purchased under resale agreement
Tagihan lainnya	2d,2k,10	131,932	81,265	Other receivables
Kredit yang diberikan dan pembiayaan syariah	2c,2d,2e,2l,11,36			Loans, and sharia financing
- Pihak berelasi		285,595	320,896	Related parties -
- Pihak ketiga		41,195,171	38,031,404	Third parties -
Total		<u>41,480,766</u>	<u>38,352,300</u>	Total
Cadangan kerugian penurunan nilai	2m,11, 39e	(1,454,721)	(980,134)	Allowance for impairment losses
		<u>40,026,045</u>	<u>37,372,166</u>	
Pendapatan bunga yang masih akan diterima	2b, 2d,12	555,020	416,420	Accrued interest income
Biaya dibayar dimuka	2n,2p, 13	227,932	285,522	Prepaid expenses
Aset tetap	2o,14			Fixed assets
Biaya perolehan		1,882,572	1,595,455	Cost
Akumulasi penyusutan		(676,592)	(572,026)	Accumulated depreciation
Nilai buku		<u>1,205,980</u>	<u>1,023,429</u>	Net book value
Aset pajak tangguhan, neto	2x,21f	591,676	522,638	Deferred tax assets, net
Piutang pajak		65	-	Tax receivables
Aset lain-lain, neto	15	356,098	52,866	Other assets, net
TOTAL ASET		<u>83,619,452</u>	<u>76,756,313</u>	TOTAL ASSETS

*) disajikan kembali pada Catatan 57

*) as restated in Note 57

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 2020 dan 2019
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain) (Lanjutan)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019
(Expressed in millions of Rupiah,
unless otherwise stated) (Continued)**

	Catatan/ Notes	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019 *)	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Liabilitas segera	2d,16	484,834	357,565	Obligations due immediately
Simpanan dari nasabah	2b,2d,2e			Deposits from customers
- Pihak berelasi	2r,17,36	14,375,132	14,940,917	Related parties -
- Pihak ketiga		54,093,148	45,604,955	Third parties -
		<u>68,468,280</u>	<u>60,545,872</u>	
Simpanan dari bank lain	2d,2e,2s			Deposits from other banks
- Pihak berelasi	18,36	238,860	137,819	Related parties -
- Pihak ketiga		2,616,744	2,750,611	Third parties -
		<u>2,855,604</u>	<u>2,888,430</u>	
Liabilitas surat berharga yang dijual dengan janji dibeli kembali	2d,2t,19	-	1,037,094	Liabilities of marketable securities sold under repurchase agreement
Pinjaman yang diterima	2d,2u,20	631,355	1,870,246	Borrowings
Utang pajak	2w,21a	93,135	63,766	Taxes payable
Beban yang masih harus dibayar	2d,22	484,666	433,507	Accrued expenses
Liabilitas lain-lain	2b,2d,2z,2ac,23	596,630	538,275	Other liabilities
TOTAL LIABILITAS		<u>73,614,504</u>	<u>67,734,755</u>	TOTAL LIABILITIES
EKUITAS				EQUITY
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 (2019 : 3.068.222.600 saham)	24	3,753,875	3,750,593	Series B - 3.081.350.100 shares - (2019 : 3.068.222.600 shares)
Tambahan modal disetor - neto	2aa,25	532,734	528,753	Paid-in capital - net
Surplus revaluasi aset tetap		754,382	748,183	Revaluation surplus of fixed assets
Pengukuran kembali liabilitas imbalan kerja pasti - setelah pajak tangguhan		(197,081)	(276,061)	Remeasurement of defined employee benefit liability - net of deferred tax
Keuntungan yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain - setelah pajak tangguhan		125,753	20	Unrealized gain financial assets measured at fair value through other comprehensive income - net of deferred tax
Saldo laba				Retained earnings
Cadangan umum		3,546,323	2,893,565	General reserve
Belum ditentukan penggunaannya		1,488,962	1,376,505	Unappropriated
TOTAL EKUITAS		<u>10,004,948</u>	<u>9,021,558</u>	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS		<u>83,619,452</u>	<u>76,756,313</u>	TOTAL LIABILITIES AND EQUITY

*) disajikan kembali pada Catatan 57

*) as restated in Note 57

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 PENDAPATAN KOMPREHENSIF LAIN**
Untuk tahun yang berakhir pada
tanggal-tanggal 31 Desember 2020 dan 2019
(Disajikan dalam jutaan Rupiah)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the years ended
December 31, 2020 and 2019
(Expressed in millions of Rupiah)

	Catatan/ Notes	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019 *)	
Pendapatan bunga dan syariah	2e,2v,2w,28,36	6,088,742	5,839,016	Interest and sharia income
Beban bunga dan syariah	2e,2v,29,36	(2,031,472)	(1,839,415)	Interest and sharia expense
PENDAPATAN BUNGA DAN SYARIAH, NETO		4,057,270	3,999,601	INTEREST AND SHARIA INCOME, NET
PENDAPATAN OPERASIONAL LAINNYA				OTHER OPERATING INCOME
Administrasi giro, tabungan dan deposito		162,607	155,360	Current accounts, savings and deposits administration fees
Administrasi kredit		41,357	45,993	Loan administration fees
Penerimaan kembali kredit hapus buku		55,055	77,973	Collection of loans written-off
Provisi dan komisi selain dari kredit yang diberikan	2w	5,613	14,795	Fees and commissions from other than loans
Lainnya	30	153,239	179,859	Others
TOTAL PENDAPATAN OPERASIONAL LAINNYA		417,871	473,980	TOTAL OTHER OPERATING INCOME
BEBAN OPERASIONAL LAINNYA				OTHER OPERATING EXPENSES
Tenaga kerja dan tunjangan karyawan	2z,32,36	(1,544,532)	(1,459,394)	Salaries and employee benefits
Umum dan administrasi	33	(684,216)	(683,957)	General and administrative
Penyisihan kerugian penurunan nilai atas aset keuangan	2m,31	(567,751)	(370,265)	Provision for impairment losses on financial assets
Beban lainnya	34	(162,365)	(163,386)	Other expenses
TOTAL BEBAN OPERASIONAL LAINNYA		(2,958,864)	(2,677,002)	TOTAL OTHER OPERATING EXPENSES
LABA OPERASIONAL		1,516,277	1,796,579	INCOME FROM OPERATIONS
PENDAPATAN (BEBAN) NON-OPERASIONAL				NON-OPERATING INCOME (EXPENSES)
Fee jasa pelayanan pajak		10,063	12,796	Tax service fees
Keuntungan atas penjualan aset tetap		2,670	393	Gain on sale of fixed asset - net
Keuntungan selisih kurs	2b	2,255	2,440	Gain on foreign exchange
Beban non-operasional		(40,586)	(6,565)	Non-operating expenses
Lainnya		16,688	58,490	Others
TOTAL PENDAPATAN (BEBAN) NON OPERASIONAL		(8,910)	67,554	TOTAL NON OPERATING INCOME (EXPENSES)
LABA SEBELUM BEBAN PAJAK		1,507,367	1,864,133	INCOME BEFORE TAX EXPENSE
BEBAN PAJAK - NETO	2x,20b,21d	(18,405)	(487,628)	TAX EXPENSE - NET
LABA TAHUN BERJALAN		1,488,962	1,376,505	INCOME FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				Items that will not be reclassified subsequently to profit or loss:
Surplus revaluasi aset tetap		6,199	74,239	Revaluation surplus of fixed assets
Pengukuran kembali liabilitas imbalan kerja pasti		100,536	(289,357)	Remeasurement of defined employee benefit liability
Pajak penghasilan terkait		(21,556)	57,871	Related income taxes
		85,179	(157,247)	
Pos-pos yang akan direklasifikasi ke laba rugi:				Items that will be reclassified subsequently to profit or loss:
Keuntungan (kerugian) yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain		155,226	25	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income
Pajak penghasilan terkait		(29,493)	(5)	Related income taxes
		125,733	20	
PENGHASILAN KOMPREHENSIF LAIN NETO SETELAH PAJAK		210,912	(157,227)	OTHER COMPREHENSIVE INCOME - NET OF TAX
TOTAL LABA KOMPREHENSIF TAHUN BERJALAN		1,699,874	1,219,278	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA PER SAHAM DASAR (DALAM NILAI PENUH)	2y,35	99.16	91.80	BASIC EARNINGS PER SHARE (IN FULL AMOUNT)

*) disajikan kembali pada Catatan 57

*) as restated in Note 57

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

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JAWA TIMUR Tbk
LAPORAN PERUBAHAN EKUITAS
Untuk tahun yang berakhir pada tanggal-tanggal
31 Desember 2020 dan 2019
(Disajikan dalam jutaan Rupiah,
kecuali dinyatakan lain)**

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JAWA TIMUR Tbk
STATEMENTS OF CHANGES IN EQUITY
For the years ended
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(Expressed in millions of Rupiah,
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Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Issued and fully paid capital	Tambahkan 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 tanggungan/ Remeasurement of defined employee benefit liability - net of deferred tax	Keuntungan yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui pendapatan komprehensif lain - setelah pajak tanggungan/ Unrealized gain 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 2018	3,744,534	520,603	673,944	(44,575)	-	2,317,122	1,260,308	8,471,936	December 31, 2018
Eksekusi program Management and Employee Stock Option Plan (MESOP)	6,059	8,150	-	-	-	-	-	14,209	Executed program of Management and Employee Stock Option Plan (MESOP)
Pembentukan cadangan umum	24e	-	-	-	-	576,443	(576,443)	-	Appropriation for general reserve
Pembagian dividen tunai	2ab, 24e	-	-	-	-	-	(683,865)	(683,865)	Distribution of cash dividends
Total laba komprehensif tahun berjalan	-	-	74,239	(231,486)	20	-	1,376,505	1,219,278	Total comprehensive income for the year
31 Desember 2019	3,750,593	528,753	748,183	(276,061)	20	2,893,565	1,376,505	9,021,558	December 31, 2019
Setoran tambahan modal	-	-	-	-	-	-	-	-	Additional deposits capital
Eksekusi program Management and Employee Stock Option Plan (MESOP)	3,282	3,981	-	-	-	-	-	7,263	Executed program of Management and Employee Stock Option Plan (MESOP)
Pembentukan cadangan umum	24e	-	-	-	-	652,758	(652,758)	-	Appropriation for general reserve
Pembagian dividen tunai	2ab, 24e	-	-	-	-	-	(723,747)	(723,747)	Distribution of cash dividends
Total laba komprehensif tahun berjalan	-	-	6,199	78,980	125,733	-	1,488,962	1,699,874	Total comprehensive income for the year
31 Desember 2020	3,753,875	532,734	754,382	(197,081)	125,753	3,546,323	1,488,962	10,004,948	December 31, 2020

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

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JAWA TIMUR Tbk
LAPORAN ARUS KAS
Untuk tahun yang berakhir pada tanggal-tanggal
31 Desember 2020 dan 2019
(Disajikan dalam jutaan Rupiah)**

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JAWA TIMUR Tbk
STATEMENTS OF CASH FLOWS
For the years ended
December 31, 2020 and 2019
(Expressed in millions of Rupiah)**

	Catatan/ Notes	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Arus kas dari aktivitas operasi				Cash flows from operating activities
Penerimaan bunga, syariah, provisi dan komisi		5,950,142	5,793,913	Receipts of interest, syaria, fees and commissions
Pembayaran bunga, syariah, provisi dan komisi		(1,799,442)	(1,832,032)	Payments of interest, syaria, fees and commissions
Penerimaan dari pendapatan operasional lainnya		153,239	396,007	Receipts of other operating income
Penerimaan kembali dari kredit hapus buku		55,055	77,973	Collection of loans written-off
Penerimaan dari pendapatan non-operasional		29,007	74,120	Receipts from non-operating income
Pembayaran untuk biaya non-operasional		(40,586)	(6,565)	Payments for non-operating expenses
Pembayaran beban tenaga kerja dan tunjangan karyawan		(1,490,765)	(1,427,754)	Payments of salaries and employee benefits
Pembayaran beban umum dan administrasi		(544,941)	(777,253)	Payments of general and administrative expenses
Pembayaran pajak		(378,774)	(581,512)	Payment of taxes
Kas neto diterima sebelum perubahan aset dan liabilitas operasi		1,932,935	1,716,897	Net cash received before changes in operating assets and liabilities
Perubahan dalam aset dan liabilitas operasi:				Changes in operating assets and liabilities:
Penempatan pada Bank Indonesia dan bank lain		112,000	(112,000)	Placement with Bank Indonesia and other banks
Kredit yang diberikan		(3,128,466)	(5,038,885)	Loans
Surat berharga yang dijual dengan janji dibeli kembali		1,038,432	(471,540)	Marketable securities sold under repurchase agreement
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali		(6,735,524)	(5,837,520)	Receivable from marketable securities purchased under resale agreement
Aset lain-lain dan tagihan lainnya		(282,585)	(53,071)	Other assets and other receivables
Liabilitas segera		127,269	(146,873)	Obligations due immediately
Simpanan dari nasabah		7,922,408	9,629,941	Deposits from customers
Simpanan dari bank lain		(32,826)	2,153,322	Deposits from other banks
Liabilitas surat berharga yang dijual dengan janji dibeli kembali		(1,037,094)	470,394	Liabilities of marketable securities sold under repurchase agreement
Liabilitas lain-lain		(146,658)	27,092	Other liabilities
Kas neto diperoleh dari aktivitas operasi		(230,109)	2,337,757	Net cash provided by operating activities
Arus kas dari aktivitas investasi				Cash flows from investing activities
Pembelian surat berharga		(4,943,265)	(1,774,238)	Purchase of marketable securities
Perolehan aset tetap	13	(32,487)	(22,126)	Acquisition of fixed assets
Penjualan aset tetap	13	2,671	393	Fixed asset sold
Kas neto digunakan untuk aktivitas investasi		(4,973,081)	(1,795,971)	Net cash used in investing activities
Arus kas dari aktivitas pendanaan				Cash flows from financing activities
Penerimaan (pembayaran) dari pinjaman yang diterima		(1,238,891)	1,144,682	Proceeds (payments of) from borrowings
Penerimaan dari penambahan modal saham		7,263	14,209	Proceeds from additional paid-up capital
Pembayaran liabilitas sewa		(886)	-	Payment of lease liability
Pembayaran dividen kas		(723,747)	(683,865)	Payments of cash dividends
Kas neto (digunakan untuk) diperoleh dari aktivitas pendanaan		(1,956,261)	475,026	Net cash used in financing activities

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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JAWA TIMUR Tbk
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For the years ended
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(Expressed in millions of Rupiah) (Continued)**

	Catatan/ Notes	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
(Penurunan) kenaikan neto kas dan setara kas		(7,159,451)	1,016,812	Net (decrease) increase in cash and cash equivalents
Kas dan setara kas pada awal tahun		20,453,366	19,437,785	Cash and cash equivalents at beginning of year
Pengaruh perubahan kurs mata uang asing	2b	(25)	(1,231)	Effects of foreign currencies exchange rate changes
Kas dan setara kas pada akhir tahun		<u>13,293,890</u>	<u>20,453,366</u>	Cash and cash equivalents at end of year
Kas dan setara kas terdiri dari:				Cash and cash equivalents consist of:
Kas	3	2,511,548	2,729,776	Cash
Giro pada Bank Indonesia	4	3,659,969	5,734,527	Current accounts with Bank Indonesia
Giro pada bank lain	5	237,715	111,479	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain (jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan)	6	6,884,658	11,877,584	Placements with Bank Indonesia and other banks (maturity within three months or less since the acquisition date)
Total kas dan setara kas		<u>13,293,890</u>	<u>20,453,366</u>	Total cash and cash equivalents

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
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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.I/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 Julisty, 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.

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

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.I/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 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.

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

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Fathiah Helmi, S.H., di Jakarta yang telah memperoleh persetujuan dari Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Keputusan No.AHU22728.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 terakhir melalui akta No. 55 tanggal 22 April 2020 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, SH dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0197642 tanggal 23 April 2020.

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.

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.

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.AHU-0038044.AH.01.09 Tahun 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 latest deed No. 55 dated April 22, 2020 made by Sitaesmi Puspawati Subianto S.H. Notary and has been registered on the Ministry of Law and Human Rights of the Republic Indonesia No.AHU-AH.01.03-0927646 dated April 23, 2020.

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 Unit.

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.

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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.

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. 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.

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

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.

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

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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.

September 14, 2018, February 1, 2019 to March 18, 2019, August 1, 2019 to September 11, 2019.

c. Manajemen Eksekutif

Susunan Dewan Komisaris dan Direksi Bank sesuai dengan Akta Rapat Umum Pemegang Saham Luar Biasa No.94 tanggal 23 Juli 2020 dari notaris Sitaesmi Puspawati Subianto adalah sebagai berikut:

c. Executive Management

The composition of the Bank's Board of Commissioners and Directors in accordance with the extraordinary general meeting of shareholders No. 94 dated July 23, 2020 of notary Sitaesmi Puspawati Subianto are as follows:

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Dewan Komisaris		Board of Commissioners
Komisaris Utama	Akhmad Sukardi	President Commissioner
Komisaris	Budi Setiawan	Commissioner
Komisaris	Heru Tjahjono	Commissioner
Komisaris Independen	Rudi Purwono	Independent Commissioner
Komisaris Independen	Candra Fajri Ananda	Independent Commissioner
Komisaris Independen	Mas'ud Said	Independent Commissioner
Direksi		Board of Directors
Direktur Utama	Busrul Iman	President Director
Direktur Komersial dan Korporasi	-	Commercial and Corporation Director
Direktur Konsumer, Ritel dan Usaha Syariah	-	Consumer Retail and Sharia Business Director
Direktur Teknologi Informasi dan Operasi	Tonny Prasetyo	Information Technology and Operation Director
Direktur Kepatuhan dan Manajemen Risiko	Erdianto Sigit Cahyono	Compliance and Risk Management Director
Direktur Risiko Bisnis	Rizyana Mirda	Business Risk Director
Direktur Keuangan	Ferdian Timur Satyagraha	Finance Director

Susunan Dewan Komisaris dan Direksi Bank sesuai dengan Pernyataan Kembali Keputusan Rapat Bank No.75 tanggal 22 Oktober 2019 dari notaris Sitaesmi Puspawati Subianto, SH adalah sebagai berikut:

The composition of the Bank's Board of Commissioners and Directors in accordance with the Deed of Restatement of the Meeting of Bank No.75 dated October 22, 2019 of notary Sitaesmi Puspawati Subianto are as follows:

31 Desember/December 31, 2019

Dewan Komisaris		Board of Commissioners
Komisaris Utama	Akhmad Sukardi	President Commissioner
Komisaris	Budi Setiawan	Commissioner
Komisaris	Heru Tjahjono	Commissioner
Komisaris Independen	Rudi Purwono	Independent Commissioner
Komisaris Independen	Candra Fajri Ananda	Independent Commissioner
Komisaris Independen	Mas'ud Said	Independent Commissioner
Direksi		Board of Directors
Direktur Utama	-	President Director
Direktur Komersial dan Korporasi	Busrul Iman	Commercial and Corporation Director
Direktur Konsumer, Ritel dan Usaha Syariah	-	Consumer Retail and Sharia Business Director
Direktur Teknologi Informasi dan Operasi	Tonny Prasetyo	Information Technology and Operation Director
Direktur Kepatuhan dan Manajemen Risiko	Erdianto Sigit Cahyono	Compliance and Risk Management Director
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Susunan Komite Audit adalah sebagai berikut:

The composition of the Audit Committee are as follows:

	31 Desember/December 31, 2020	
	31 Desember/December 31, 2019	
Ketua	Rudi Purwono	Chairman
Anggota	Candra Fajri Ananda	Member
Anggota	Mas'ud Said	Member
Anggota	Akhmad Djauhari	Member

Susunan Komite Pemantau Resiko adalah sebagai berikut:

The composition of the Risk Monitoring Committee are as follows:

	31 Desember/December 31, 2020	
	31 Desember/December 31, 2019	
Ketua	Mas'ud Said	Chairman
Anggota	Rudi Purwono	Member
Anggota	Candra Fajri Ananda	Member
Anggota	Syafrudin	Member

Susunan Komite Remunerasi dan Nominasi adalah sebagai berikut:

The composition of the Remuneration and Nomination Committee are as follows:

	31 Desember/December 31, 2020	
	31 Desember/December 31, 2019	
Ketua	Candra Fajri Ananda	Chairman
Anggota	Rudi Purwono	Member
Anggota	Akhmad Sukardi	Member
Anggota	Heru Tjahjono	Member
Anggota	Mas'ud Said	Member
Anggota	Budi Setiawan	Member
Anggota	Budi Sumarsono	Member

Susunan Komite Audit, Komite Pemantau Risiko dan Komite Remunerasi dan Nominasi sesuai dengan SK No. 058/09/DIR/HCP/KEP tanggal 06 Mei 2019 tentang Perubahan Susunan Komite PT Bank Pembangunan Daerah Jawa Timur Tbk Periode 2019 – 2022.

The composition of the Audit Committee, the Risk Monitoring Committee and the Remuneration and Nomination Committee accordance to SK No. 058/09/DIR/HCP/KEP dated May 06, 2019 regarding Changes in the Composition of the PT Bank Pembangunan Daerah Jawa Timur Tbk Period 2019 - 2022.

Susunan Internal Audit pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

The composition of the Internal Audit as of December 31, 2020 and 2019 are as follows:

	31 Desember/December 31, 2020	
Pemimpin Divisi	Eko Tri Prasetyo	Division Head
Pemimpin Sub Divisi	M. Muad	Sub Division Head
Pemimpin Sub Divisi	Trilaksono	Sub Division Head
	31 Desember/December 31, 2019	
Pemimpin Divisi	Eko Tri Prasetyo	Division Head
Pemimpin Sub Divisi	Agus Nyoto	Sub Division Head
Pemimpin Sub Divisi	Muntopiyatun	Sub Division Head
Pemimpin Sub Divisi	M. Muad	Sub Division Head
Pemimpin Sub Divisi	Trilaksono	Sub Division Head

Corporate Secretary pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

The Corporate Secretary as of December 31, 2020 and 2019 are as follows:

	31 Desember/December 31, 2020	
Pemimpin Divisi	Glembah Priambodo	Division Head
Pemimpin Sub Divisi	Wardoyo	Sub Division Head
Pemimpin Sub Divisi	Lestari Nur Imani	Sub Division Head
Pemimpin Sub Divisi	Muhammad Fahmi	Sub Division Head

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Pemimpin Divisi	Glemboh Priambodo	Division Head
Pemimpin Sub Divisi	Sulam Andjar Rochim	Sub Division Head
Pemimpin Sub Divisi	Wardoyo	Sub Division Head
Pemimpin Sub Divisi	Slamet Purwanto	Sub Division Head

Susunan Dewan Pengawas Syariah Bank pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

The composition of the Sharia Supervisory Board as of December 31, 2020 and 2019 are as follows:

31 Desember/December 31, 2020

Ketua	Afifuddin Muhajir	Chairman
Anggota	Saad Ibrahim	Member

31 Desember/December 31, 2019

Ketua	M. Ridwan Nasir *)	Chairman
Anggota	Saad Ibrahim *)	Member
Anggota	Afifuddin Muhajir *)	Member

*) Efektif setelah mendapat persetujuan dari Otoritas Jasa Keuangan (OJK)

*) Effective after approval from Financial Services Authority

Pada tanggal 31 Desember 2020 dan 2019, Bank memiliki karyawan tetap masing-masing sebanyak 4.020 dan 4.252 orang (tidak diaudit).

As of December 31, 2020 and 2019, the Bank has 4,020 and 4,252 permanent employees, respectively (unaudited).

d. Jaringan kantor

Pada tanggal 31 Desember 2020, 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, 209 kantor kas, 247 *payment point*, 9 *payment point* Syariah, 195 kantor layanan Syariah, 777 ATM (*Automated Teller Machine*), 24 ATM Syariah (*Sharia Automated Teller Machine*), 27 ADM (*Automated Deposit Machine*), 92 kas mobil konvensional dan 6 kas mobil Syariah di Indonesia.

Pada tanggal 31 Desember 2019, Bank memiliki 41 kantor cabang konvensional termasuk 1 UUS yang mempunyai 7 cabang Syariah serta 162 kantor cabang pembantu konvensional, 10 kantor cabang pembantu Syariah, 209 kantor kas, 249 *payment point*, 10 *payment point* Syariah, 191 kantor layanan Syariah, 742 ATM (*Automated Teller Machine*), 23 ATM Syariah (*Sharia Automated Teller Machine*), 2 ADM (*Automated Deposit Machine*), 92 kas mobil konvensional dan 6 kas mobil Syariah di Indonesia.

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*.

d. Office network

As of December 31, 2020, 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, 209 cash offices, 247 payment points, 9 Sharia payment point, 195 Sharia service offices, 777 ATMs (*Automated Teller Machines*), 24 ATMs Sharia (*Sharia Automated Teller Machines*), 27 ADM (*Automated Deposit Machines*), 92 Cash ATM vehicles conventional and 6 Cash ATM vehicles Sharia located in Indonesia.

As of December 31, 2019, the Bank has 41 branches including 1 UUS which has 7 Sharia branches and 162 conventional sub-branches, 10 Sharia sub-branches, 209 cash offices, 249 payment points, 10 Sharia payment point, 191 Sharia service offices, 742 ATMs (*Automated Teller Machines*), 23 ATMs Sharia (*Sharia Automated Teller Machines*), 2 ADM (*Automated Deposit Machines*), 92 Cash ATM vehicles conventional and 6 Cash ATM vehicles Sharia located in Indonesia.

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.

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2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING

Kebijakan akuntansi utama yang ditetapkan dalam penyusunan laporan keuangan Bank adalah seperti dijabarkan di bawah ini:

a. Dasar penyusunan laporan keuangan

Pernyataan kepatuhan

Laporan keuangan pada tanggal dan untuk tanggal-tanggal yang berakhir pada tanggal 31 Desember 2020 dan 2019, disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan 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 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).

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.

2. SUMMARY OF SIGNIFICANT 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 and for the year ended December 31, 2020 and 2019 have been prepared and presented in accordance with Indonesian Statement of Financial Accounting Standards (SFAS) and the Interpretation of Financial Accounting Standards (IFAS) issued by the Financial Accounting Standard Board of the Indonesia Institute of Accounting (DSAKIAI) 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 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).

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.

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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 konsolidasian, aset dan liabilitas moneter dalam mata uang asing dijabarkan dengan menggunakan kurs yang berlaku pada tanggal laporan posisi keuangan konsolidasian.

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 konsolidasian 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.

Berikut ini adalah kurs mata uang asing utama yang digunakan untuk penjabaran dalam rupiah pada 31 Desember 2020 dan 2019 yang menggunakan kurs tengah berdasarkan Reuters (pukul 16.00 Waktu Indonesia Barat) (dalam Rupiah penuh).

	31 Desember/ December 31, 2020
1 Poundsterling Inggris Raya	19,012
1 Euro	17,234
1 Dolar Amerika Serikat	14,050
1 Dolar Singapura	10,606
1 Dolar Australia	10,752
1 Riyal Saudi Arabia	3,745
1 Ringgit Malaysia	3,481
1 Yuan China Renminbi	2,150
1 Dolar Hong Kong	1,812
100 Yen Jepang	13,600

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 consolidated 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 consolidated 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.

Below are the major exchange rates used for translation into rupiah as of December 31, 2020 and 2019 using the middle rates based on Reuters (at 16.00 hours Western Indonesian Time) (in full amount).

	31 Desember/ December 31, 2019	
	18,238	Great Britain Poundsterling 1/Rp
	15,571	Euro 1/Rp
	13,883	United States Dollar 1/Rp
	10,315	Singapore Dollar 1/Rp
	9,725	Australian Dollar 1/Rp
	3,701	Saudi Arabian Riyal 1/Rp
	3,392	Malaysian Ringgit 1/Rp
	1,994	Chinese Yuan Renminbi 1/Rp
	1,783	Hong Kong Dollar 1/Rp
	12,781	Japanese Yen 100/Rp

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c. Pernyataan dan Interpretasi Standar Akuntansi Baru dan Revisi yang Berlaku Efektif pada Tahun Berjalan

Berikut adalah revisi, amendemen dan penyesuaian atas standar akuntansi keuangan (SAK) serta interpretasi atas SAK berlaku efektif untuk tahun buku yang dimulai pada atau setelah 1 Januari 2020, yaitu:

- PSAK 71: Instrumen Keuangan;
- PSAK 72: Pendapatan dari Kontrak dengan Pelanggan;
- PSAK 73: Sewa;
- PSAK 62 (Amendemen 2017): Kontrak Asuransi tentang Menerapkan PSAK 71: Instrumen Keuangan dengan PSAK 62: Kontrak Asuransi;
- PSAK 15 (Amendemen 2017): Investasi pada Entitas Asosiasi dan Ventura Bersama tentang Kepentingan Jangka Panjang pada Entitas Asosiasi dan Ventura Bersama;
- PSAK 71 (Amendemen 2018): Instrumen Keuangan tentang Fitur Percepatan Pelunasan dengan Kompensasi Negatif;
- ISAK 35: Penyajian Laporan Keuangan Entitas Berorientasi Nonlaba;
- PSAK 1 (Amendemen dan Penyesuaian Tahunan 2019): Penyajian Laporan Keuangan;
- PSAK 25 (Amendemen 2019): Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan;
- PSAK 102 (Revisi 2019): Akuntansi Murabahah;
- ISAK 101: Pengakuan Pendapatan Murabahah Tangguh Tanpa Risiko Signifikan terkait Kepemilikan Persediaan;
- ISAK 102: Penurunan Nilai Piutang Murabahah;
- ISAK 36: Interpretasi atas Interaksi antara Ketentuan Mengenai Hak atas Tanah dalam PSAK 16: Aset Tetap dan PSAK 73: Sewa;
- PPSAK 13: Pencabutan PSAK 45: Pelaporan Keuangan Entitas Nirlaba; dan
- Amendemen PSAK 71, Amendemen PSAK 55, Amendemen PSAK 60, tentang Reformasi Acuan Suku Bunga.

Kecuali untuk perubahan yang dijelaskan di bawah ini, implementasi dari standar-standar tersebut tidak menghasilkan perubahan substansial terhadap kebijakan akuntansi Bank dan tidak memiliki dampak yang material terhadap laporan keuangan di tahun berjalan atau tahun sebelumnya.

PSAK 71: Instrumen Keuangan

PSAK 71 menggantikan PSAK 55 (Revisi 2014) "Instrumen Keuangan: Pengakuan dan Pengukuran" dan memperkenalkan pengaturan baru untuk klasifikasi dan pengukuran instrumen

c. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year

The following are revision, amendments and adjustments of standards and interpretation of standard issued by DSAK - IAI and effectively applied for the year starting on or after January 1, 2020, are as follows:

- PSAK 71: Financial Instrument;
- PSAK 72: Revenue from Contract with Customer;
- PSAK 73: Leases;
- PSAK 62 (Amendment 2017): Insurance Contract regarding Applying PSAK 71: Financial Instruments with PSAK 62: Insurance Contract;
- PSAK 15 (Amendment 2017): Investment in Associates and Joint Ventures regarding Long-term Interests in Associates and Joint Ventures;
- PSAK 71 (Amendment 2018): Financial Instrument regarding Prepayment Features with Negative Compensation;
- ISAK 35: Presentation of Non-profit oriented entity Financial Statements;
- PSAK 1 (Amendment and Improvement 2019): Presentation of Financial Statements regarding Title of Financial Statements;
- PSAK 25 (Amendment 2019): Accounting Policies, Changes in Accounting Estimates and Errors;
- PSAK 102 (Revised 2019): Accounting for Murabahah;
- ISAK 101: Revenue Recognition on Deferred Murabahah without Significant Risk related to Inventories Ownership;
- ISAK 102: Impairment on Murabahah Receivable;
- ISAK 36: Interpretation of the Interaction between the Provisions Regarding Land Rights in PSAK 16: Fixed Assets and PSAK 73: Leases
- PPSAK 13: Revocation of PSAK 45: Non-profit Entity Financial Reporting; and
- Amendment PSAK 71, Amendment PSAK 55, Amendment PSAK 60 regarding Interest Rate Benchmark Reform.

Except for the changes described below, the implementation of these standards did not result in a substantial change in the Bank's accounting policies and had no material impact on the financial statements of the current year or previous year.

PSAK 71: Financial Instruments

PSAK 71 replaces PSAK 55 (Revised 2014) "Financial Instruments: Recognition and Measurement" and introduces new arrangements for the classification and measurement of financial

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keuangan berdasarkan penilaian atas model bisnis dan arus kas kontraktual, pengakuan dan pengukuran cadangan kerugian penurunan nilai instrumen keuangan dengan menggunakan model kerugian kredit ekspektasian, yang menggantikan model kerugian kredit yang terjadi serta memberikan pendekatan yang lebih sederhana untuk akuntansi lindung nilai.

Bank telah melakukan penerapan dini PSAK 71 di tahun 2018.

PSAK 73: Sewa

PSAK 73 menggantikan PSAK 30: "Sewa" yang mensyaratkan Bank sebagai pihak penyewa mengakui aset hak-guna dan liabilitas sewa terkait dengan transaksi sewa yang sebelumnya diklasifikasikan sebagai sewa operasi berdasarkan PSAK 30, kecuali atas sewa jangka pendek atau sewa dengan aset yang bernilai rendah.

Bank telah menerapkan PSAK 73 menggunakan pendekatan retrospektif yang dimodifikasi tanpa penyajian kembali periode komparatif. Liabilitas sewa diukur pada nilai kini dari sisa pembayaran sewa yang didiskontokan dengan menggunakan suku bunga pinjaman inkremental Bank pada tanggal 1 Januari 2020. Aset hak-guna diukur pada jumlah yang sama dengan liabilitas sewa disesuaikan dengan jumlah pembayaran di muka atau pembayaran sewa yang masih harus dibayar sehubungan dengan sewa yang diakui di laporan posisi keuangan pada tanggal 31 Desember 2019.

Pada tanggal penerapan awal, Bank juga menggunakan beberapa kebijakan praktis sebagai berikut

- Menggunakan tingkat diskonto tunggal pada portofolio sewa dengan karakteristik yang cukup serupa;
- Mengandalkan penilaian sebelumnya tentang apakah sewa memberatkan sebagai alternatif untuk melakukan peninjauan penurunan nilai, bahwa tidak ada kontrak yang memberatkan pada 1 Januari 2020;
- Memilih tidak menerapkan persyaratan untuk sewa yang masa sewanya berakhir dalam 12 (dua belas) bulan dari tanggal penerapan awal. Mencatat sewa tersebut dengan cara yang sama dengan sewa jangka pendek dan memasukkan biaya yang terkait dengan sewa tersebut dalam pengungkapan beban sewa jangka pendek dalam periode pelaporan tahunan yang mencakup tanggal penerapan awal.

Dampak penerapan awal PSAK 73 terhadap saldo awal untuk aset hak-guna dan liabilitas sewa adalah sebagai berikut:

instruments based on the assessment of business models and contractual cash flows, recognizing and measuring allowance for impairment losses on financial instruments using an expected credit loss model, which replaces incurred credit loss model and provides a simpler approach for hedge accounting.

The Bank has early adopted SFAS 71 in 2018.

PSAK 73: Leases

PSAK 73 replace PSAK 30: "Leases", which requires the Bank as the lessee to recognize right-of-use assets and lease liabilities related to leases transaction that were previously classified as operating leases under PSAK 30, except for short-term leases or leases with low-value assets.

The Bank has implemented PSAK 73 using a modified retrospective approach without restating the comparative period. Lease liabilities are measured at the present value of the remaining lease payments, which are discounted using the Bank's incremental loan interest rate as of January 1, 2020. Right-of-use assets are measured at the same amount as the lease liabilities adjusted for the amount of prepayments or lease payments accrued in connection with a lease recognized in the statement of financial position as of December 31, 2019.

At the initial implementation date, the Bank also adopted the following practical policies:

- *Using a single discount rate on lease portfolios with fairly similar characteristics;*
- *Rely on previous assessments of whether leases are onerous as an alternative to undertaking an impairment review, that there are no aggravating contracts as of January 1, 2020;*
- *Opting out of the requirement for leases whose leases expire within 12 (twelve) months from the date of initial application. Record these leases in the same manner as short-term leases and include the costs associated with those leases in the disclosure of short-term lease expenses in the annual reporting period covering the date of initial application.*

The impact of the initial implementation of PSAK 73 on the beginning balance for right-of-use assets and lease liabilities are as follows:

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	1 Januari/January 1, 2020			
	Sebelum penyesuaian/ Before adjustment	Penyesuaian PSAK 73/ PSAK 73 adjustment	Setelah penyesuaian/ After adjustment	
LAPORAN POSISI KEUANGAN				STATEMENT OF FINANCIAL POSITION
ASET				ASSETS
Beban dibayar di muka	285,522	(68,997)	216,525	Prepaid expenses
Aset tetap - aset hak guna setelah akumulasi penyusutan	1,595,455	208,205	1,803,660	Fixed assets - Right of use assets after accumulated depreciation
LIABILITAS				LIABILITIES
Liabilitas sewa	-	(139,208)	(139,208)	Lease liability

**Standar Akuntansi dan Interpretasi Standar
yang Telah Disahkan Namun Belum Berlaku
Efektif**

DSAK-IAI telah menerbitkan beberapa standar baru, amendemen dan penyesuaian atas standar, serta interpretasi atas standar namun belum berlaku efektif untuk periode yang dimulai pada 1 Januari 2020.

Amendemen standar berikut efektif untuk periode yang dimulai pada atau setelah tanggal 1 Juni 2020, dengan penerapan dini diperkenankan yaitu:

- PSAK 73 (Amendemen 2020): Sewa tentang Konsesi Sewa terkait Covid-19.

Standar baru dan amendemen atas standar yang berlaku efektif untuk periode yang dimulai pada atau setelah 1 Januari 2021, dengan penerapan dini diperkenankan yaitu:

- PSAK 112: Akuntansi Wakaf;
- PSAK 22 (Amendemen 2019): Kombinasi Bisnis tentang Definisi Bisnis;
- PSAK 110 (Penyesuaian 2020): Akuntansi Sukuk;
- PSAK 111 (Penyesuaian 2020): Akuntansi Wa'd; dan
- Amendemen PSAK 71, Amendemen PSAK 55, Amendemen PSAK 60, Amendemen PSAK 62 dan Amendemen PSAK 73 tentang Reformasi Acuan Suku Bunga - Tahap 2.

Amendemen atas standar yang berlaku efektif untuk periode yang dimulai pada atau setelah 1 Januari 2022, dengan penerapan dini diperkenankan yaitu:

- Amendemen PSAK 22: Kombinasi Bisnis tentang Referensi ke Kerangka Konseptual; dan
- Amendemen PSAK 57: Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi tentang Kontrak Memberatkan - Biaya Memenuhi Kontrak

Standar baru yang berlaku efektif untuk periode yang dimulai pada atau setelah 1 Januari 2025, dengan penerapan dini diperkenankan yaitu:

- PSAK 74: Kontrak Asuransi.

**New Accounting Standard and Interpretation of
Standard which Has Issued but Not Yet
Effective**

DSAK-IAI has issued several new standards, amendments and improvement to standards, and interpretations of the standards but not yet effective for the period beginning on January 1, 2020.

Amendments to standard effective for periods beginning on or after June 1, 2020, with early adoption is permitted is:

- PSAK 73 (Amendment 2020): Leases regarding Rent Concessions related to Covid-19.

New standards and amendment to standards which effective for periods beginning on or after January 1, 2021, with early adoption is permitted, are as follows:

- PSAK 112: Accounting for Endowments;
- PSAK 22 (Amendment 2019): Business Combinations regarding Definition of Business;
- PSAK 110 (Improvement 2020): Accounting for Sukuk;
- PSAK 111 (Improvement 2020): Accounting for Wa'd; and
- Amendment PSAK 71, Amendment PSAK 55, Amendment PSAK 60, Amendment PSAK 62, and Amendment PSAK 73 regarding Interest Rate Benchmark Reform - Phase 2.

Amendment to standards which effective for periods beginning on or after January 1, 2022, with early adoption is permitted, are as follows:

- Amendments PSAK 22: Business Combinations regarding Reference to Conceptual Frameworks; and
- Amendments PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts - Contract Fulfillment Costs

New standards which effective for periods beginning on or after January 1, 2022, with early adoption is permitted, are as follows:

- PSAK 74: Insurance Contract.

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Hingga tanggal laporan keuangan ini diotorisasi, Bank masih melakukan evaluasi atas dampak potensial dari penerapan standar baru, amendemen standar dan interpretasi standar tersebut.

Until the date of the financial statements is authorized, the Bank is still evaluating the potential impact of the adoption of new standards, amendments to standards and interpretations of these standards

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.

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.

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).

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).

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.

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.

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.

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.

(i) 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.

(i) 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.

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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 kedalam kategori sebagai berikut pada saat pengakuan awal:

- i. 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;
- ii. Liabilitas keuangan lainnya merupakan liabilitas keuangan yang tidak dimiliki untuk dijual atau ditentukan sebagai nilai wajar melalui laba rugi saat pengakuan liabilitas

(ii) 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.

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:

- i. 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;
- ii. 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

(ii) 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.

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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

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:

- 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.
- 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.

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.

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:

- 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
- 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.

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Bank mengklasifikasikan instrumen keuangan ke dalam klasifikasi tertentu yang mencerminkan sifat dari informasi dan mempertimbangkan karakteristik dari instrumen keuangan tersebut. Klasifikasi ini dapat dilihat pada tabel berikut:

The Bank classifies financial instruments into certain classifications that reflect the nature of information and consider the characteristics of these financial instruments. This classification can be seen in the following table:

(iii) 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. 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 kadaluwarsa.

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 terespos 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.

(iv) Saling hapus

Aset keuangan dan liabilitas keuangan dapat saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika, dan hanya jika,

(iii) 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. 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.

(iv) Offsetting

Financial assets and financial liabilities are set off and the net amount is presented in the statement of financial position when, and only

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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.

(v) 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.

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.

(v) 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.

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(vi) 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.

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 menanggukuhkan 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 posisi *long* berdasarkan harga penawaran dan mengukur liabilitas dan posisi *short* berdasarkan harga permintaan.

(vi) 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.

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.

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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. Penyesuaian pada level portofolio tersebut dialokasikan pada aset dan liabilitas individual berdasarkan penyesuaian risiko relatif dari masing-masing instrumen individual di dalam portofolio.

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. 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. 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:

- a) Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
 1. memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 2. memiliki pengaruh signifikan atas entitas pelapor; atau
 3. personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.
- b) Satu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
 1. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lainnya);
 2. 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);
 3. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
 4. Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
 5. Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
 6. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a);

e. Transactions with related parties

In the normal course of its business, the Bank enters into transactions with related parties which are defined under SFAS 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:

- a) *A person or a close member of that person's family is related to a reporting entity if that person:*
 1. *has control or joint control over the reporting entity;*
 2. *has significant influence over the reporting entity; or*
 3. *a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*
- b) *An entity is related to the reporting entity if any of the following conditions applies:*
 1. *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);*
 2. *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);*
 3. *Both entities are joint ventures of the same third party;*
 4. *One entity is a joint venture of a third entity and the other entity is an associate of the third entity;*
 5. *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;*
 6. *The entity is controlled or jointly controlled by a person identified in (a);*

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7. Orang yang diidentifikasi dalam huruf (a).
(1) memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas (atau entitas induk dari entitas); atau
8. Entitas atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil 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 36.

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.

7. 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
8. 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 36.

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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i. Surat berharga

Surat berharga yang dimiliki terdiri dari Sertifikat Bank Indonesia (SBI), Sertifikat Deposito Bank Indonesia (SDBI), obligasi korporasi, reksadana, Surat Keterangan Berdokumen Dalam Negeri (SKBDN), tagihan wesel ekspor, sukuk, surat utang negara, 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 berdasar 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.

i. Marketable securities

Marketable securities consist of Certificates of Bank Indonesia (SBI), Certificate of Deposits of Bank Indonesia (SDBI), corporate bonds, mutual funds, domestic L/C, export bills receivable, sukuk, government bonds, 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.

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Aset Keuangan Sukuk

Bank menerapkan PSAK No. 110 "Investasi Sukuk" yang mengatur mengenai pengakuan, pengukuran, penyajian, dan pengungkapan transaksi sukuk ijarah dan sukuk mudharabah.

a. Diukur pada biaya perolehan

- 1) 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.
- 2) Biaya perolehan sukuk termasuk biaya transaksi
- 3) Selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk.
- 4) Rugi penurunan nilai diakui jika jumlah terpulihkan lebih kecil dari jumlah tercatat dan disajikan sebagai rugi penurunan nilai di dalam laba rugi.

b. Diukur pada nilai wajar

- 1) 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
- 2) Biaya perolehan sukuk tidak termasuk biaya transaksi
- 3) 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*.

Sukuk Financial Assets

The Bank applies SFAS No. 110 "Sukuk Investment" which regulate about recognition, measurement, presentation, and disclosure transaction of sukuk ijarah and sukuk mudharabah.

a. Measured at cost

- 1) 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.
- 2) Sukuk acquisition cost includes transaction cost.
- 3) The difference between the acquisition cost and the nominal value is amortized on a straight line basis over the period of the sukuk.
- 4) 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.

b. Measured at fair value

- 1) 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.
- 2) Sukuk acquisition cost does not include transaction cost
- 3) 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.

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Surat berharga yang dibeli dengan janji untuk dijual kembali 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.

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

Marketable securities purchased under resale agreements 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.

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

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tersebut kepada pembeli (debitur). Piutang murabahah dinyatakan sebesar jumlah piutang setelah dikurangi dengan "margin yang ditangguhkan" yang belum direalisasikan dan penyisihan kerugian.

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 murabahah 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 dihapusbukukan 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 dihapusbukukan

the buyer. Murabahah receivables are stated at the amount of receivables less unrealized deferred margin and allowance for losses.

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. Murabahah 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.

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dengan mendebet cadangan kerugian penurunan nilai. Pelunasan kemudian atas kredit yang telah dihapusbukukan 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.

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, 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 tetapi 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 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:

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.

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, 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 ECLs 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:

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- 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.

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);

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- 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.

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);

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- 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;
- 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.

- *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;*
- *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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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.

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

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.

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

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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 eksposur 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.

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.

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 backstop, 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.

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.

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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 Bank Indonesia, klasifikasi yang ditetapkan oleh bank umum lainnya atas aset produktif yang diberikan oleh lebih dari satu bank (*BI checking*) dan ketersediaan laporan keuangan debitur yang telah diaudit.

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

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 Bank Indonesia audit results, classification determined by either commercial banks on earning assets provided by more than one bank (*BI checking*) and availability of debtor's audited financial statements.*

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

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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 margin) yang didiskonto menggunakan margin 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)*.

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

assets of Commercial Bank which conduct Business Based on Sharia Principles.

The evaluation of impairment of murabaha 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).

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

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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.

regarding Asset Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles for determination of impairment losses.

Penyisihan kerugian minimum atas aset produktif adalah sebagai berikut:

Minimum allowance for possible losses on earning assets is as follows:

**Persentase minimum penyisihan kerugian/
Minimum percentage of allowance for impairment losses**

Lancar *)
Dalam perhatian khusus
Kurang lancar
Diragukan
Macet

Minimum 1%
Minimum 5%
Minimum 15%
Minimum 50%
100%

Current *)
Special mention
Sub-standard
Doubtful
Loss

*) di luar Fasilitas Simpanan Bank Indonesia Syariah, Sertifikat Bank Indonesia Syariah dan surat berharga yang diterbitkan Pemerintah berdasarkan prinsip embali emba produktif dengan agunan tunai.

*) excluding Deposit Facilities of Bank Indonesia Sharia, Certificates of Bank Indonesia Sharia and marketable securities sharia and earning assets secured by cash collateral.

Penyisihan khusus terhadap kredit bermasalah dihitung berdasarkan kemampuan debitur dalam membayar utang. Penyisihan khusus dibentuk embal timbul keraguan akan kemampuan debitur dalam membayar dan menurut pertimbangan manajemen, estimasi jumlah yang akan diperoleh embali dari debitur berada di bawah jumlah pokok dan bunga kredit yang belum terbayar.

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. Biaya dibayar dimuka

Biaya dibayar dimuka diamortisasi selama masa manfaat masing-masing biaya dengan menggunakan metode garis lurus.

n. Prepaid expenses

Prepaid expenses are amortized over the beneficial periods using the straight-line method.

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 emb rugi dan penghasilan komprehensif lain pada saat terjadinya.

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.

Aset tetap kecuali tanah disusutkan dengan menggunakan metode dan taksiran masa manfaat emba tetap sebagai berikut:

Fixed assets, except land are depreciated using the methods and over their estimated useful lives of fixed assets as follows:

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Jenis/ Classification	Metode/ Method	Taksiran masa manfaat/ Estimated useful lives Tahun/Years	Tarif penyusutan/ Depreciation rate
Bangunan/ <i>Buildings</i>	Garis lurus/ <i>Straight-line</i>	20	5%
Kendaraan/ <i>Vehicles</i>	Saldo menurun ganda/ <i>Double declining balance</i>	4 - 8	25% - 50%
Peralatan kantor/ <i>Office equipment</i>	Saldo menurun ganda/ <i>Double declining balance</i>	4 - 8	25% - 50%

Peralatan kantor terdiri dari perabotan dan perlengkapan, instalasi, perangkat lunak dan perangkat keras komputer, peralatan komunikasi dan peralatan kantor lainnya.

Office equipment consists of furniture and fixtures, installation, computer software and hardware, communication and other office equipment.

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 embali I, 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 14).

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 14).

Kenaikan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain. Namun, kenaikan tersebut diakui dalam emb rugi hingga sebesar jumlah penurunan nilai aset yang sama akibat revaluasi yang pernah dilakukan sebelumnya dalam emb rugi. Penurunan nilai tercatat yang timbul dari revaluasi diakui dalam emb rugi.

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.

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.

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.

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Aset tetap dievaluasi kemungkinan penurunan nilainya jika terjadi peristiwa atau perubahan keadaan yang mengindikasikan bahwa nilai tercatatnya tidak dapat seluruhnya dipulihkan.

Fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

Pada setiap akhir tahun buku, nilai residu, umur manfaat dan metode penyusutan direviu, 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.

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.

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.

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.

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.

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.

Aset hak guna dan liabilitas sewa

PSAK 73 memperkenalkan model akuntansi penyewa tunggal dan mensyaratkan penyewa untuk mengakui emba dan liabilitas untuk semua sewa dengan pengecualian sewa jangka pendek dan emba dengan nilai rendah. Penyewa diharuskan untuk mengakui emba hak-guna yang mewakili haknya untuk menggunakan emba sewaan dan liabilitas sewa yang mewakili kewajibannya untuk melakukan pembayaran sewa. PSAK 73 secara embali I masih menggunakan persyaratan akuntansi atas pesewa (*lessor*) sesuai PSAK 30 "Sewa". Oleh karena itu, penyewa masih akan menggunakan klasifikasi sewa dalam sewa operasi atau pembiayaan, dan perlakuan atas kedua tipe sewa tersebut.

Right-of-use assets and lease liabilities

SFAS 73 introduces a single lessee accounting model and requires a lessee to embali assets and liabilities for all leases with the exemptions of short-term leases and the underlying asset is of low value. A lessee is required to embali a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. SFAS 73 substantially carries forward the lessor accounting requirements in SFAS 30 "Leases". Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently

Dampak penerapan PSAK 73 adalah Bank dan sebagai penyewa atas kontrak sewa embali dan kendaraan. Bank telah memilih simplified approach dalam melakukan transisi dan tidak melakukan penyajian embali

The impact of SFAS 73 at the Bank is where the Bank and its subsidiaries is a lessee in property and vehicle lease contracts. The Bank has elected the simplified approach of transition and did not restate comparative information.

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untuk informasi komparatif. Dengan demikian, informasi komparatif tetap dilaporkan sesuai dengan PSAK 30, "Sewa".

Therefore, the comparative information continues to be reported under SFAS 30, "Leases".

p. Sewa

Bank mengklasifikasikan sewa berdasarkan sejauh mana risiko dan manfaat yang terkait dengan kepemilikan aset sewaan berada pada *lessor* atau *lessee* dan pada substansi transaksi daripada bentuk kontraknya.

p. Lease

The Bank classifies leases based on the extent to which risks and rewards incidental to the ownership of a leased asset are vested upon the lessor or the lessee and the substance of the transaction rather than the form of the contract.

Bank lebih banyak bertindak sebagai *lessee*, dengan demikian:

The Bank is mostly acting as a lessee, therefore:

- (i) Suatu sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset sewaan. Sewa tersebut dikapitalisasi sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini pembayaran tersebut lebih rendah dari nilai wajarnya.

- (i) A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased assets. Such leases are capitalized at the inception of the lease at the fair value of the leased assets or, if lower, at the present value of minimum lease payments.

Pembayaran sewa minimum dialokasikan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pelunasan liabilitas, sedemikian rupa sehingga menghasilkan suatu tingkat suku bunga periodik yang konstan atas saldo liabilitas. Beban keuangan dibebankan langsung ke operasi tahun berjalan.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are charged directly to the profit or loss.

Jika tidak terdapat kepastian yang memadai bahwa *lessee* akan mendapatkan hak kepemilikan pada akhir masa sewa, maka aset sewaan yang dikapitalisasi disusutkan selama periode yang lebih pendek antara umur manfaat aset sewaan atau masa sewanya.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Bank will obtain ownership by the end of the lease term.

- (ii) Suatu sewa diklasifikasikan sebagai sewa operasi jika sewa tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset sewaan. Dengan demikian, pembayaran sewa diakui sebagai beban dengan dasar garis lurus (*straight-line basis*) selama masa sewa.

- (ii) Lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the leased asset. Accordingly, the related lease payments are recognized in profit or loss on a straight-line basis over the lease term.

Pada tanggal 1 Januari 2020, Bank mengakui liabilitas sewa, sebagai pembayaran sewa yang tersisa termasuk atas opsi perpanjangan dimana perpanjangan hampir dapat dipastikan, didiskontokan menggunakan tingkat bunga pinjaman inkremental pada tanggal penerapan awal. Sedangkan aset hak guna mencakup jumlah liabilitas sewa yang diakui, biaya langsung awal yang dibayarkan, biaya pemulihan dan

On January 1, 2020, the Bank recognised a lease liability, being the remaining lease payments including extensions options where renewal is reasonably certain, discounted using the incremental borrowing rate at the date of initial application. Meanwhile, rights of use assets include the amount of lease liabilities recognized, initial direct costs paid, recovery costs and lease payments made on or before the start date of the lease, less rental incentives

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pembayaran sewa yang dilakukan pada atau sebelum tanggal mulai sewa, dikurangi insentif sewa yang diterima. Aset hak guna disusutkan dengan metode garis lurus selama jangka waktu yang lebih pendek antara masa sewa dengan estimasi masa manfaat aset.

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.

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.

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received. Rights of use assets are depreciated using the straight-line method over the shorter period between the lease term and the estimated useful life of the asset.

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.

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.

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Simpanan dari nasabah berdasarkan prinsip syariah terdiri dari:

- a. Simpanan syariah berupa giro *wadiah yad-adhamanah*, yakni titipan dana dalam bentuk giro yang akan mendapatkan bonus sesuai dengan kebijakan Bank; dan
- b. Investasi tidak terikat syariah, berupa:
 - i. 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
 - ii. 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.

t. Liabilitas atas surat berharga yang dijual dengan janji dibeli kembali

Surat berharga yang dijual dengan janji dibeli kembali disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar harga pembelian kembali yang disepakati dikurangi dengan bunga dibayar dimuka yang belum diamortisasi. Selisih antara harga jual dan harga beli kembali yang disepakati diperlakukan sebagai beban bunga dibayar dimuka dan diakui sebagai beban bunga selama jangka waktu sejak surat berharga tersebut dijual hingga dibeli kembali.

Surat berharga yang dijual dengan janji dibeli kembali diklasifikasikan sebagai liabilitas keuangan yang diukur dengan biaya perolehan diamortisasi.

Deposits from customers under sharia principles as follows:

- a. 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
- b. Sharia non-binding investments in the form of:
 - i. *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
 - ii. *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.

t. Liabilities of marketable securities sold under repurchase agreement

Securities sold under repurchase agreement are presented as liabilities in the statement of financial position at the agreed repurchase price net of the unamortized prepaid interest. The difference between the selling price and the agreed repurchase price is treated as prepaid interest and recognized as interest expense over the period, commencing from the selling to the purchase date.

Securities sold under repurchase agreement are classified as financial liabilities at amortized.

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u. 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.

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.

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.

u. 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.

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.

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.

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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.

Margin dan bagi hasil diakui secara akrual, kecuali pendapatan margin dan bagi hasil atas kredit yang diberikan dan pembiayaan sharia 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

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.

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

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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 (revisi 2014), "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.

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.

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 (revised 2014), "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.

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.

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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.

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. 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.

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. 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.

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.

Program imbalan pasti

Bank mengakui penyisihan imbalan masa kerja berdasarkan Undang-undang No.13 tahun 2003 tanggal 25 Maret 2003 ("UU No. 13/2003"). 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.

Defined benefits plans

The Bank recognizes a provision for employee service entitlements in accordance with Labor Law No. 13/2003 dated March 25, 2003 ("Labor Law No. 13/2003"). 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 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.

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*.

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.

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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.

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.

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. 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 Nopember 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.

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/HCP/KEP dated on March 22, 2019. The Pension Fund Policy was approved by the decree of Indonesia Financial Services Authority No.KEP-24/NB.1/2017 dated on June 14, 2019. 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. 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.

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.

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.

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.

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.

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Program asuransi tunjangan hari tua

a. 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.

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.

b. Sesuai dengan persetujuan Dewan Komisaris No.040/090/DK/BPD/02 tanggal 31 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

Mutual aid pension insurance plan

a. 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.

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.

b. 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

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masing-masing peserta dibayar di muka oleh Bank dan diamortisasi selama sisa masa kerja karyawan.

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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salary. The insurance premiums for employees are paid in advance by the Bank and are amortized over the remaining years of service of employees.

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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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:

- a. 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);

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:

- a. 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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b. 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

c. 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 yang penting

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.

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:

Usaha yang berkelanjutan

Manajemen Bank telah melakukan penilaian atas kemampuan Bank untuk melanjutkan kelangsungan usahanya dan berkeyakinan bahwa Bank memiliki sumber daya untuk melanjutkan usahanya di masa mendatang. Selain itu, manajemen tidak mengetahui

b. 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

c. 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. Events after the reporting period

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.

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

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adanya ketidakpastian material yang dapat menimbulkan keraguan yang signifikan terhadap kemampuan Bank untuk melanjutkan 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 hirarki 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.

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.

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.*

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 regularly occurring market transactions on an arm's length basis.

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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 ini.

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

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.

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 signifikan 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

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depan, dapat berubah akibat perubahan pasar atau situasi yang berada diluar kendali Bank. Perubahan-perubahan tersebut dicerminkan di dalam asumsi-asumsi terkait pada saat terjadinya.

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 21f).

Pensiun

Program-program pensiun ditentukan berdasarkan perhitungan aktuarial. Perhitungan aktuarial menggunakan asumsi-asumsi seperti tingkat diskonto, tingkat pengembalian investasi, tingkat kenaikan gaji, tingkat kematian, tingkat pengunduran diri dan lain-lain (Catatan 50).

Penurunan nilai surat berharga pada biaya perolehan diamortisasi

Bank mereviu 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 7 dan 39e).

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 39e):

- Kinerja dibawah rata-rata yang signifikan yang relatif terhadap hasil historis atau proyeksi hasil operasi yang diharapkan; di masa yang akan datang;
- Perubahan yang signifikan dari cara penggunaan aset yang diperoleh atau strategi untuk bisnis secara keseluruhan; dan
- Tren negatif industri dan ekonomi yang signifikan.

changes or circumstances arising beyond the control of the Bank. Such changes are reflected in the assumptions as they occur.

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 21f).

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 50).

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 7 and 39e).

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 39e):

- Significant underperformance relative to expected historical or projected future operating results;*
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and*
- Significant negative industry or economic trends.*

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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 2c, 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 11).

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 14).

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 2c, 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 11).

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 14).

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3. KAS

	31 Desember/ December 31, 2020	
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		2,460,657
Mata uang asing		
Dolar Amerika Serikat	1,438,382	20,209
Dolar Singapura	696,305	7,385
Riyal Saudi Arabia	2,212,940	8,287
Euro	91,382	1,575
Ringgit Malaysia	2,932,162	10,207
Yen Jepang	11,065,559	1,505
Dolar Australia	61,818	665
Dolar Hong Kong	168,918	306
Yuan China Renminbi	134,395	289
Poundsterling Inggris Raya	24,361	463
Total mata uang asing		50,891
Total kas		2,511,548

Kas dalam Rupiah pada tanggal 31 Desember 2020 dan 2019, masing-masing termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) dan *Cash Recycle Machine* (CRM) sejumlah Rp393.901 dan Rp285.855

4. GIRO PADA BANK INDONESIA

	31 Desember/ December 31, 2020	
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		3,651,538
Dolar Amerika Serikat	600,000	8,430
Total		3,659,968

Dalam giro pada Bank Indonesia termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp66.950 dan Rp85.298 masing-masing pada tanggal 31 Desember 2020 dan 2019.

Rasio GWM Bank adalah sebagai berikut:

	31 Desember/ December 31, 2020	
<u>Konvensional</u>		
Rupiah		
GWM Primer		
Harian	0.00%	
Rata-rata	3.23%	
Penyangga Likuiditas Makroprudensial (PLM)	31.00%	
Mata uang asing	8.22%	
<u>Syariah</u>		
Rupiah	4.82%	

3. CASH

	31 Desember/ December 31, 2019	
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		2,690,546
Mata uang asing		
Dolar Amerika Serikat	1,202,076	16,689
Dolar Singapura	861,978	8,891
Riyal Saudi Arabia	2,275,511	8,422
Euro	112,705	1,755
Ringgit Malaysia	390,426	1,324
Yen Jepang	7,515,000	960
Dolar Australia	56,280	547
Dolar Hong Kong	142,720	254
Yuan China Renminbi	106,456	212
Poundsterling Inggris Raya	9,640	176
Total mata uang asing		39,230
Total kas		2,729,776

Cash in Rupiah as of December 31, 2020 and 2019, includes funds at Automatic Teller Machines (ATM) and *Cash Recycle Machine* (CRM) amounting to Rp393,901 and Rp285,855, respectively.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

	31 Desember/ December 31, 2019	
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		5,726,197
Dolar Amerika Serikat	600,000	8,330
Total		5,734,527

Current accounts with Bank Indonesia include current accounts based on sharia banking principles amounting to Rp66,950 and Rp85,298 as of December 31, 2020 and 2019, respectively.

The GWM of the Bank was as follows:

	31 Desember/ December 31, 2019	
<u>Konvensional</u>		
Rupiah		
GWM Primer		
Harian	9.63%	
Rata-rata	3.04%	
Penyangga Likuiditas Makroprudensial (PLM)	18.75%	
Mata uang asing	9.21%	
<u>Syariah</u>		
Rupiah	4.89%	

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Rasio GWM pada tanggal 31 Desember 2020 dan 2019 dihitung berdasarkan Peraturan Bank Indonesia Nomor 15/15/PBI/2013 tanggal 23 Desember 2013 sebagaimana telah diubah beberapa kali dengan PBI No. 17/11/PBI/2015 tanggal 25 Juni 2015, PBI No. 18/3/PBI/2016 tanggal 10 Maret 2016, PBI No. 18/14/PBI/2016 tanggal 18 Agustus, PBI No. 19/6/PBI/2017 tanggal 17 April 2017, PBI No. 20/3/2018 tanggal 29 Maret 2018 dan Peraturan Anggota Dewan Gubernur (PADG) No. 20/10/PADG/2018 tanggal 31 Mei 2018, PADG No. 21/14/PADG/2019 tanggal 26 Juni 2019 sebagaimana telah diubah beberapa kali dengan PADG 21/27/PADG/2019 tanggal 26 Desember 2019, PADG No. 22/2/PADG/2020 tanggal 13 Maret 2020, PADG 22/10/PADG/2020 tanggal 30 April 2020, dengan perubahan terakhir pada PADG 22/19/PADG/2020 tanggal 29 Juli 2020 tentang "Giro Wajib Minimum dalam Rupiah dan Valuta Asing bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah".

Pada tanggal 31 Desember 2020 dan 2019, Bank juga harus memenuhi PBI No. 20/4/PBI/2018 tanggal 29 Maret 2018 sebagaimana telah diubah dengan PBI No. 21/12/PBI/2019 tanggal 25 November 2019 tentang "Perubahan atas Peraturan Bank Indonesia Nomor 20/4/PBI/2018 Tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Konvensional, Bank Umum Syariah dan Unit Usaha Syariah" yang dijelaskan melalui Peraturan Anggota Dewan Gubernur No. 21/22/PADG/2019 tanggal 28 November 2019 yang telah diubah dengan PADG No. 21/11/PADG/2020 tanggal 29 April 2020 dan perubahan terakhir PADG 22/30/PADG/2020 tanggal 5 Oktober 2020 tentang "Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah".

Pada tanggal 31 Desember 2020 dan 2019, sesuai dengan ketentuan Bank Indonesia tersebut di atas, Bank harus memenuhi persyaratan GWM utama dalam Rupiah masing-masing sebesar 3,00% dan 6,00%, sedangkan untuk mata uang asing masing-masing sebesar 4,00% dan 8,00%. Untuk PLM adalah sebesar 6,00% dan 4,00% dalam Rupiah pada tanggal 31 Desember 2020 dan 2019.

Pada tanggal 31 Desember 2020 dan 2019, sesuai dengan ketentuan Bank Indonesia tersebut berdasarkan prinsip syariah, Bank harus memenuhi persyaratan GWM dalam Rupiah masing-masing sebesar 3,00% dan 4,50%. Untuk mata uang asing masing-masing sebesar 1,00%.

The calculation of the GWM ratio as of December 31, 2020 and 2019 is based on Bank Indonesia regulation (PBI) 15/15/PBI/2013 dated December 23, 2013 which has been amended several times with PBI No. 17/11/PBI/2015 dated June 25, 2015, PBI No. 18/3/PBI/2016 dated March 10, 2016, PBI No. 18/14/PBI/2016 dated August 18, 2016, PBI No. 19/6/PBI/2017 dated April 17, 2017, PBI No. 20/3/2018 dated March 29, 2018 and Regulations of Members of the Board of Governors (PADG) 20/10/PADG/2018 dated May 31, 2018, PADG No. 21/14/PADG/2019 dated June 26, 2019 which has been amended several times with PADG 21/27/PADG/2019 dated December 26, 2019, PADG Np. 22/2/PADG/2020 dated March 13, 2020, PADG 22/10/PADG/2020 dated April 30, 2020 with the latest amendment by PADG 22/19/PADG/2020 dated July 2019, 2020 Minimum Statutory Reserve Requirements in Rupiah and Foreign Currencies of Conventional Commercial Banking, Sharia Commercial Banking and Sharia Business Units".

As of December 31, 2020 and 2019, the Bank must also comply with Bank Indonesia Regulation (PBI) 20/4/PBI/2018 dated March 29, 2018 which has been amended with PBI 21/12/PBI/2019 dated November 25, 2019 regarding "Charges to Bank Indonesia Regulation No. 20/4/PBI/2018 regarding Macroprudential Intermediation Ratios and Macroprudential Liquidity Buffers for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Unit" which is explained through PADG No. 21/22/PADG/2019 dated November 28, 2019 which has been amended with PADG No. 21/11/PADG/2020 dated April 29, 2020 and the latest amendment by PADG 22/30/PADG/2020 dated October 5, 2020 concerning "Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Sharia Commercial Bank, and Sharia Business Units".

As of December 31, 2020 and 2019, based on the above Bank Indonesia regulations, The Bank is required to maintain primary GWM in Rupiah amounting to 3.00% and 6.00%, respectively, while GWM for foreign currency amounting to 4.00% and 8.00%, respectively. PLM amounting to 6.00% and 4.00% in Rupiah as of December 31, 2020 and 2019.

As of December 31, 2020 and 2019, based on the Bank Indonesia regulations, for sharia principle, the Bank is required to maintain GWM in Rupiah of 3.00% and 4.50%. For foreign currencies of 1.00%, respectively.

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GWM Primer adalah simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia. GWM Sekunder dan Penyangga Likuiditas Makroprudensial (PLM) adalah cadangan minimum yang wajib dipelihara oleh Bank berupa Sertifikat Bank Indonesia (SBI), Surat Utang Negara (SUN), Surat Berharga Syariah Negara (SBSN) dan/atau excess reserve yang merupakan kelebihan saldo Rekening Giro Rupiah dari GWM Primer, GWM LFR dan Rasio Intermediasi Makroprudensial (RIM). GWM LFR dan RIM adalah tambahan simpanan minimum yang wajib dipelihara oleh Bank dalam bentuk saldo Rekening Giro pada Bank Indonesia, jika LFR dan RIM target Bank Indonesia (84%) atau jika di atas maksimum LFR dan RIM target BI (94%) dan Kewajiban Penyediaan Modal Minimum (KPMM) Bank lebih kecil dari KPMM Insentif BI sebesar 14%.

Bank telah memenuhi ketentuan Bank Indonesia tentang Giro Wajib Minimum pada tanggal 31 Desember 2020 dan 2019.

Sisa umur jatuh tempo atas giro pada Bank Indonesia dikategorikan sebagai kurang dari satu bulan (Catatan 40).

5. GIRO PADA BANK LAIN

a. Berdasarkan bank

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Rupiah		
PT Bank Central Asia Tbk	130,084	39,365
PT Bank Rakyat Indonesia (Persero) Tbk	28,831	200
PT Bank Mandiri (Persero) Tbk	1,628	1,599
PT Bank Negara Indonesia (Persero) Tbk	111	535
	<u>160,654</u>	<u>41,699</u>
Mata uang asing		
PT Bank Negara Indonesia (Persero) Tbk	47,668	8,670
PT Bank Central Asia Tbk	13,792	8,179
PT Bank Rakyat Indonesia (Persero) Tbk	11,223	48,092
PT Bank Mandiri (Persero) Tbk	2,920	3,418
DBS Singapore Ltd	1,047	1,124
PT Bank ICBC Indonesia	411	297
	<u>77,061</u>	<u>69,780</u>
Total	<u>237,715</u>	<u>111,479</u>
Cadangan kerugian penurunan nilai	(53)	(25)
Neto	<u><u>237,662</u></u>	<u><u>111,454</u></u>

Pada tanggal 31 Desember 2020 dan 2019, tidak ada giro pada bank lain yang didasarkan pada prinsip perbankan syariah.

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Primary Minimum Statutory Reserve is a minimum reserve that should be maintained by the Bank and in Current Accounts with Bank Indonesia. Secondary Minimum Statutory Reserve and Macroprudential Liquidity Buffer are the minimum reserves that should be maintained by the Bank which comprise of Certificates of Bank Indonesia (SBI), Government Debenture Debt (SUN), Sharia Government Securities (SBSN), and/or excess reserve which represents the excess reserve of the Bank and its subsidiaries' Current Accounts in Rupiah over the Primary Minimum Statutory Reserve, Minimum Statutory Reserve on LFR and Macroprudential Intermediation Ratio (RIM). Minimum Statutory Reserve on LFR and RIM is the additional reserve that should be maintained by the Bank in the form of Current Accounts with Bank Indonesia, if the Bank and its subsidiaries' LFR and RIM is below the minimum of LFR and RIM targeted by Bank Indonesia (84%) or if the Bank LFR and RIM is above the maximum of LFR and RIM targeted by BI (94%) and the Capital Adequacy Ratio (CAR) is below BI requirement of 14%.

The Bank has complied with Bank Indonesia regulations concerning the minimum reserve requirements as of December 31, 2020 and 2019.

The remaining period of current amount with Bank Indonesia is categorized as less than one months (Note 40).

5. CURRENT ACCOUNTS WITH OTHER BANKS

a. By bank

	Rupiah
PT Bank Central Asia Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Mandiri (Persero) Tbk	
PT Bank Negara Indonesia (Persero) Tbk	
Foreign currencies	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Central Asia Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Mandiri (Persero) Tbk	
DBS Singapore Ltd	
PT Bank ICBC Indonesia	
Total	
Allowance for impairment losses	
Net	

As of December 31, 2020 and 2019, there was no current accounts with other banks based on sharia banking principles.

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b. Berdasarkan mata uang

	31 Desember/ December 31, 2020	
Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
Rupiah	160,654	
Dolar Amerika Serikat	5,147,801	72,327
Dolar Singapura	98,769	1,047
Poundsterling Inggris Raya	49,024	932
Dolar Australia	56,575	608
Euro	68,276	1,177
Dolar Hongkong	208,307	377
Yuan China Renminbi	191,270	411
Yen Jepang	1,335,930	182
Total mata uang asing	77,061	
	237,715	
Cadangan kerugian penurunan nilai	(53)	
Neto	237,662	

b. By currency

	31 Desember/ December 31, 2019	
Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
Rupiah	41,699	
United States Dollar	4,776,239	66,306
Singapore Dollar	108,966	1,124
Great Britain Poundsterling	42,027	766
Australian Dollar	-	-
Euro	44,530	693
Hongkong Dollar	196,823	351
Chinese Yuan Renminbi	148,880	297
Japanese Yen	1,899,306	243
Total foreign currencies	69,780	
	111,479	
Allowance for impairment losses	(25)	
Net	111,454	

c. Tingkat suku bunga per tahun

	31 Desember/ December 31, 2020
Rupiah	0.06%
Mata uang asing	0.02%

c. Interest rates per annum

	31 Desember/ December 31, 2019	
Rupiah	0.09%	
Foreign Currencies	0.01%	

d. Berdasarkan hubungan

Pada tanggal 31 Desember 2020 dan 2019, tidak ada giro pada bank lain pada pihak berelasi.

e. By relationship

As of December 31, 2020 and 2019, no current accounts in related parties.

e. Berdasarkan kolektibilitas

Giro pada bank lain pada tanggal 31 Desember 2020 dan 2019, digolongkan sebagai lancar. Tidak terdapat saldo giro pada bank lain yang diblokir atau digunakan sebagai agunan.

e. By collectibility

Current accounts with other banks as of December 31, 2020 and 2019 were classified as current. None were blocked or under liens as collateral.

f. Nilai tercatat bruto

	31 Desember 2020 / December 31, 2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total
Nilai tercatat bruto awal 1 Januari 2020	111,479	-	-	-	111,479
Aset baru	608	-	-	-	608
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(2,426)	-	-	-	(2,426)
Transfer ke Tahap 1	-	-	-	-	-
Transfer ke Tahap 2	-	-	-	-	-
Transfer ke Tahap 3	-	-	-	-	-
Pengukuran kembali	128,054	-	-	-	128,054
Penghapusbukuan	-	-	-	-	-
Nilai tercatat bruto akhir	237,715	-	-	-	237,715

**Initial gross carrying amount
as at January 1, 2020**

New assets originated

Assets derecognized

or repaid (exclude write off)

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

Remeasurement

Write off

Ending gross carrying amount

f. Gross carrying amount

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	31 Desember 2019 / December 31, 2019					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total	
Nilai tercatat bruto awal 1 Januari 2019	97,287	-	-	-	97,287	Initial gross carrying amount as at January 1, 2019
Aset baru	-	-	-	-	-	New assets originated
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	-	-	-	-	-	Assets derecognized or repaid (exclude write off)
Transfer ke Tahap 1	-	-	-	-	-	Transfer to Stage 1
Transfer ke Tahap 2	-	-	-	-	-	Transfer to Stage 2
Transfer ke Tahap 3	-	-	-	-	-	Transfer to Stage 3
Pengukuran kembali	14,192	-	-	-	14,192	Remeasurement
Penghapusbukuan	-	-	-	-	-	Write off
Nilai tercatat bruto akhir	111,479	-	-	-	111,479	Ending gross carrying amount

g. Cadangan kerugian penurunan nilai

g. Allowance for impairment losses

Cadangan kerugian penurunan nilai giro pada bank lain adalah sebagai berikut:

Allowance for impairment losses for current account with other banks are as follows:

	31 Desember 2020 / December 31, 2020					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total	
Saldo awal 1 Januari 2020	(25)	-	-	-	(25)	Initial balance January 1, 2020
Aset Baru	-	-	-	-	-	New assets originated
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	1	-	-	-	1	Assets derecognized or repaid (exclude write off)
Transfer ke Tahap 1	-	-	-	-	-	Transfer to Stage 1
Transfer ke Tahap 2	-	-	-	-	-	Transfer to Stage 2
Transfer ke Tahap 3	-	-	-	-	-	Transfer to Stage 3
Pengukuran kembali	(29)	-	-	-	(29)	Remeasurement
Penghapusbukuan	-	-	-	-	-	Write off
Ending balance	(53)	-	-	-	(53)	Ending balance

	31 Desember 2019 / December 31, 2019					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total	
Saldo awal 1 Januari 2019	(15)	-	-	-	(15)	Initial balance January 1, 2019
Aset Baru	-	-	-	-	-	New assets originated
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	-	-	-	-	-	Assets derecognized or repaid (exclude write off)
Transfer ke Tahap 1	-	-	-	-	-	Transfer to Stage 1
Transfer ke Tahap 2	-	-	-	-	-	Transfer to Stage 2
Transfer ke Tahap 3	-	-	-	-	-	Transfer to Stage 3
Pengukuran kembali	(10)	-	-	-	(10)	Remeasurement
Penghapusbukuan	-	-	-	-	-	Write off
Ending balance	(25)	-	-	-	(25)	Ending balance

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya giro pada bank lain adalah memadai.

Management believes that the allowance for impairment losses on current accounts with other banks is adequate.

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 39e.

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 39e.

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6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN

a. Berdasarkan jenis dan mata uang

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Rupiah		
Deposito berjangka:		
PT Bank Rakyat Indonesia (Persero) Tbk	1,000,000	800,000
PT Bank ICBC Indonesia	280,000	410,000
PT Bank Bukopin Syariah	25,000	-
PT Bank Mandiri (Persero) Tbk	-	600,000
PT Bank Tabungan Negara (Persero) Tbk	-	500,000
Lain-lain (Bank Perkreditan Rakyat)	15,500	12,000
	<u>1,320,500</u>	<u>2,322,000</u>
Interbank call money:		
PT Bank Pembangunan Daerah		
Sumatera Selatan dan Bangka Belitung	265,000	-
PT Bank Pembangunan Daerah Irian Jaya	160,000	-
PT Bank Pembangunan Daerah		
Sulawesi Selatan dan Sulawesi Barat	150,000	196,000
PT Bank Pembangunan Daerah		
Jawa Tengah	100,000	-
PT Bank Pembangunan Daerah		
Nusa Tenggara Timur	110,000	112,000
PT Bank Rakyat Indonesia Syariah	85,000	-
PT Bank CTBC Indonesia	80,000	130,000
PT Bank Pembangunan Daerah		
Kalimantan Timur dan Kalimantan Utara	75,000	160,000
PT Bank Pembangunan Daerah		
Maluku dan Maluku Utara	11,000	76,000
PT Bank Pembangunan Daerah		
Daerah Istimewa Yogyakarta	-	1,420,000
PT Bank BTPN Tbk	-	425,000
PT Bank Pan Indonesia Tbk	-	360,000
PT Bank Danamon Indonesia Tbk	-	350,000
PT Bank UOB Indonesia	-	327,000
Bangkok Bank	-	315,000
PT Bank OCBC NISP Tbk	-	270,000
PT Bank Rakyat Indonesia Agroniaga Tbk	-	250,000
PT Bank Sinarmas Tbk	-	234,000
PT Bank DKI	-	200,000
PT Bank HSBC Indonesia	-	200,000
PT Bank Pembangunan Daerah		
Riau Kepri	-	150,000
PT Bank China Construction Bank Indonesia Tbk	-	100,000
PT Bank Commonwealth Indonesia	-	100,000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	-	100,000
PT Bank Victoria International Tbk	-	100,000
PT Bank Pembangunan Daerah		
Kalimantan Tengah	-	99,000
PT Bank Pembangunan Daerah Sulawesi Tengah	-	74,000
PT Bank Bukopin Tbk	-	57,000
PT Bank Pembangunan Daerah		
Sulawesi Tenggara	-	55,000
PT Bank Nationalnobu Tbk	-	50,000
PT Bank Pembangunan Daerah Kalimantan Selatan	-	50,000
PT Bank Pembangunan Daerah Jambi	-	35,000
PT Bank Pembangunan Daerah		
Sulawesi Utara dan Gorontalo	-	30,000
	<u>1,036,000</u>	<u>6,025,000</u>
Facilitas Simpanan Bank Indonesia (FASBI)	378,400	2,793,000
Term Deposit	4,150,000	850,000
Dikurangi: Diskonto yang belum diamortisasi	(242)	(416)
	<u>4,528,158</u>	<u>3,642,584</u>
Total	6,884,658	11,989,584
Cadangan kerugian penurunan nilai	(795)	(2,357)
Neto	<u>6,883,863</u>	<u>11,987,227</u>

Pada tanggal 31 Desember 2020 dan 2019, dalam penempatan pada Bank Indonesia dan bank lain termasuk penempatan yang didasarkan pada prinsip perbankan syariah masing-masing sebesar Rp395.400 dan Rp243.000.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a. By type and currency

Rupiah	
Time deposits:	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank ICBC Indonesia	
PT Bank Bukopin Syariah	
PT Bank Mandiri (Persero) Tbk	
PT Bank Tabungan Negara (Persero) Tbk	
Others (Rural Bank)	
Interbank call money:	
PT Bank Pembangunan Daerah	
Sumatera Selatan dan Bangka Belitung	
PT Bank Pembangunan Daerah Irian Jaya	
PT Bank Pembangunan Daerah	
Sulawesi Selatan dan Sulawesi Barat	
PT Bank Pembangunan Daerah	
Jawa Tengah	
PT Bank Pembangunan Daerah	
Nusa Tenggara Timur	
PT Bank Rakyat Indonesia Syariah	
PT Bank CTBC Indonesia	
PT Bank Pembangunan Daerah	
Kalimantan Timur dan Kalimantan Utara	
PT Bank Pembangunan Daerah	
Maluku dan Maluku Utara	
PT Bank Pembangunan Daerah	
Daerah Istimewa Yogyakarta	
PT Bank BTPN Tbk	
PT Bank Pan Indonesia Tbk	
PT Bank Danamon Indonesia Tbk	
PT Bank UOB Indonesia	
Bangkok Bank	
PT Bank OCBC NISP Tbk	
PT Bank Rakyat Indonesia Agroniaga Tbk	
PT Bank Sinarmas Tbk	
PT Bank DKI	
PT Bank HSBC Indonesia	
PT Bank Pembangunan Daerah	
Riau Kepri	
PT Bank China Construction Bank Indonesia Tbk	
PT Bank Commonwealth Indonesia	
PT Bank of Tokyo - Mitsubishi UFJ Ltd	
PT Bank Victoria International Tbk	
PT Bank Pembangunan Daerah	
Kalimantan Tengah	
PT Bank Pembangunan Daerah Sulawesi Tengah	
PT Bank Bukopin Tbk	
PT Bank Pembangunan Daerah	
Sulawesi Tenggara	
PT Bank Nationalnobu Tbk	
PT Bank Pembangunan Daerah Kalimantan Selatan	
PT Bank Pembangunan Daerah Jambi	
PT Bank Pembangunan Daerah	
Sulawesi Utara dan Gorontalo	
Bank Indonesia Deposit Facility (FASBI)	
Term Deposit	
Less: Unamortized interest	
Total	
Allowance for impairment losses	
Net	

As of December 31, 2020 and 2019, placements with Bank Indonesia and other banks include placements based on sharia banking principles amounting to Rp395,400 and Rp243,000 respectively.

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b. Berdasarkan jangka waktu

	31 Desember/ December 31, 2020
Kurang dari 1 bulan	6,591,658
1 - 3 bulan	293,000
3 - 6 bulan	-
	6,884,658

b. By maturity

	31 Desember/ December 31, 2019	
	10,767,584	Less than 1 month
	1,110,000	1 - 3 months
	112,000	3 - 6 months
	11,989,584	

c. Berdasarkan kolektibilitas

Semua penempatan Bank pada Bank Indonesia dan bank lain pada tanggal 31 Desember 2020 dan 2019 digolongkan lancar.

c. By collectibility

All placements with Bank Indonesia and other banks as of December 31, 2020 and 2019 were classified as current.

d. Berdasarkan hubungan

Pada tanggal 31 Desember 2020 dan 2019 tidak terdapat penempatan pada pihak berelasi.

d. By relationship

As of December 31, 2020 and 2019, the Bank had no funds placed with related parties.

e. Tingkat suku bunga per tahun

	31 Desember/ December 31, 2020
Rupiah	2.69%
Mata uang asing	0.00%

e. Interest rates per annum

	31 Desember/ December 31, 2019	
	12.02%	Rupiah
	0.75%	Foreign currencies

f. Nilai tercatat bruto**f. Gross carrying amount**

31 Desember 2020 / December 31, 2020						
Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total		
Nilai tercatat bruto awal 1 Januari 2020	11,989,584	-	-	-	11,989,584	Initial gross carrying amount as at January 1, 2020
Aset baru	6,884,658	-	-	-	6,884,658	New assets originated
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(11,989,584)	-	-	-	(11,989,584)	Assets derecognized or repaid (exclude write off)
Transfer ke Tahap 1	-	-	-	-	-	Transfer to Stage 1
Transfer ke Tahap 2	-	-	-	-	-	Transfer to Stage 2
Transfer ke Tahap 3	-	-	-	-	-	Transfer to Stage 3
Pengukuran kembali	-	-	-	-	-	Remeasurement
Penghapusbukuan	-	-	-	-	-	Write off
Nilai tercatat bruto akhir	6,884,658	-	-	-	6,884,658	Ending gross carrying amount
31 Desember 2019 / December 31, 2019						
Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total		
Nilai tercatat bruto awal 1 Januari 2019	13,349,542	-	-	-	13,349,542	Initial gross carrying amount as at January 1, 2019
Aset baru	11,989,584	-	-	-	11,989,584	New assets originated
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(13,349,542)	-	-	-	(13,349,542)	Assets derecognized or repaid (exclude write off)
Transfer ke Tahap 1	-	-	-	-	-	Transfer to Stage 1
Transfer ke Tahap 2	-	-	-	-	-	Transfer to Stage 2
Transfer ke Tahap 3	-	-	-	-	-	Transfer to Stage 3
Pengukuran kembali	-	-	-	-	-	Remeasurement
Penghapusbukuan	-	-	-	-	-	Write off
Nilai tercatat bruto akhir	11,989,584	-	-	-	11,989,584	Ending gross carrying amount

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g. Cadangan kerugian penurunan nilai

Cadangan kerugian penurunan nilai penempatan pada bank lain adalah sebagai berikut:

31 Desember / December 31, 2020					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total
Saldo awal					
1 Januari 2020	(2,357)	-	-	-	(2,357)
Aset Baru	(795)	-	-	-	(795)
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	2,357	-	-	-	2,357
Transfer ke Tahap 1	-	-	-	-	-
Transfer ke Tahap 2	-	-	-	-	-
Transfer ke Tahap 3	-	-	-	-	-
Pengukuran kembali	-	-	-	-	-
Penghapusbukuan	-	-	-	-	-
Ending balance	(795)	-	-	-	(795)

Initial balance
January 1, 2020
New assets originated

Assets derecognized
or repaid (exclude write off)

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

Remeasurement

Write off

Ending balance

31 Desember / December 31, 2019					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total
Saldo awal					
1 Januari 2019	(2,302)	-	-	-	(2,302)
Aset Baru	(2,357)	-	-	-	(2,357)
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	2,302	-	-	-	2,302
Transfer ke Tahap 1	-	-	-	-	-
Transfer ke Tahap 2	-	-	-	-	-
Transfer ke Tahap 3	-	-	-	-	-
Pengukuran kembali	-	-	-	-	-
Penghapusbukuan	-	-	-	-	-
Ending balance	(2,357)	-	-	-	(2,357)

Initial balance
January 1, 2019
New assets originated

Assets derecognized
or repaid (exclude write off)

Transfer to Stage 1

Transfer to Stage 2

Transfer to Stage 3

Remeasurement

Write off

Ending balance

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 39e.

h. Penempatan pada bank lain yang digunakan sebagai jaminan

Tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan pada tanggal-tanggal 31 Desember 2020 dan 2019.

g. Allowance for impairment losses

Allowance for impairment losses for placement with other banks are as follows:

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 39e.

h. Placements with other banks pledged as collateral

There were no placements with other banks pledged as collateral as of December 31, 2020 and 2019.

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7. SURAT-SURAT BERHARGA**a. Berdasarkan jenis dan mata uang**

	31 Desember/ December 31, 2020			31 Desember / December 31, 2019		
	Jumlah nosional mata uang asing/ Notional amount foreign currency (Dalam angka penuh/ In full amount)	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	Jumlah nosional mata uang asing/ Notional amount foreign currency (Dalam angka penuh/ In full amount)	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value
Rupiah:						
Biaya perolehan diamortisasi						
Surat Utang Negara						
PBS016	-	-	-	1,474,533	1,474,366	
PBS014	1,837,171	1,837,367		1,247,171	1,233,723	
SR009	-	-	-	311,425	311,562	
SPNS07022020	-	-	-	184,285	183,174	
PBS002	1,657,758	1,666,351		-	-	
PBS006	-	-	-	155,000	156,437	
PBS027	120,000	119,868		-	-	
FR0053	445,000	449,964		120,000	121,913	
SPN12200106	-	-	-	109,671	109,592	
SR010	44,990	45,073				
SR011	553,600	565,447		50,000	50,865	
ORI014	-	-	-	27,000	26,841	
ORI015	20,000	20,145		20,000	20,313	
FR0034	15,700	16,070		15,700	16,861	
SPNS04032020	-	-	-	4,888	4,839	
FR0061	660,000	667,085		-	-	
Obligasi						
PT Sarana Multigriya Finansial (Persero)						
Obligasi Berkelanjutan IV SMF Tahap VII Tahun 2019 Seri B	100,000	100,000		100,000	100,000	
Obligasi Berkelanjutan IV SMF Tahap III Tahun 2018 Seri B	50,000	49,872		70,000	68,883	
Obligasi Berkelanjutan III SMF Tahap VII Tahun 2017 Seri B	25,000	25,013		50,000	50,103	
Obligasi Berkelanjutan V SMF Tahap II Tahun 2019 Seri A	50,000	50,000		50,000	50,000	
Obligasi Berkelanjutan V SMF Tahap I Tahun 2019 Seri A	-	-	-	20,000	20,026	
Obligasi Berkelanjutan III SMF Tahap VI Tahun 2016 Seri B	40,500	41,023		5,000	5,072	
Obligasi Berkelanjutan IV SMF Tahap VIII Tahun 2019 Seri B	20,000	20,332		-	-	
Obligasi Berkelanjutan V SMF Tahap III Tahun 2020 Seri A	65,000	65,000		-	-	
PT Sarana Multi Infrastruktur (Persero)						
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap II tahun 2019 Seri A	-	-	-	100,000	100,000	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap III tahun 2019 Seri B	75,000	75,000		75,000	75,000	
Obligasi Berkelanjutan I Sarana Multi Infrastruktur Tahap II tahun 2017 Seri B	-	-	-	50,000	50,166	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap III tahun 2019 Seri A	-	-	-	25,000	25,000	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap I tahun 2019 Seri B	2,000	2,037		-	-	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap IV tahun 2020 Seri A	50,000	50,000		-	-	

Rupiah:	
Amortized cost	
Government bonds	
PBS016	
PBS014	
SR009	
SPNS07022020	
PBS002	
PBS006	
PBS027	
FR0053	
SPN12200106	
SR010	
SR011	
ORI014	
ORI015	
FR0034	
SPNS04032020	
FR0061	
Bonds	
PT Sarana Multigriya Finansial (Persero)	
Obligasi Berkelanjutan IV SMF Tahap VII Tahun 2019 Seri B	
Obligasi Berkelanjutan IV SMF Tahap III Tahun 2018 Seri B	
Obligasi Berkelanjutan III SMF Tahap VII Tahun 2017 Seri B	
Obligasi Berkelanjutan V SMF Tahap II Tahun 2019 Seri A	
Obligasi Berkelanjutan V SMF Tahap I Tahun 2019 Seri A	
Obligasi Berkelanjutan III SMF Tahap VI Tahun 2016 Seri B	
Obligasi Berkelanjutan IV SMF Tahap VIII Tahun 2019 Seri B	
Obligasi Berkelanjutan V SMF Tahap III Tahun 2020 Seri A	
PT Sarana Multi Infrastruktur (Persero)	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap II tahun 2019 Seri A	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap III tahun 2019 Seri B	
Obligasi Berkelanjutan I Sarana Multi Infrastruktur Tahap II tahun 2017 Seri B	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap III tahun 2019 Seri A	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap I tahun 2019 Seri B	
Obligasi Berkelanjutan II Sarana Multi Infrastruktur Tahap IV tahun 2020 Seri A	

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	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value		Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value		
PT Federal International Finance Tbk							PT Federal International Finance Tbk
Obligasi Berkelanjutan III FIF Tahap V Tahun 2019 Seri A	-	-		100,000	100,000		Obligasi Berkelanjutan III FIF Tahap V Tahun 2019 Seri A
Obligasi Berkelanjutan III FIF Tahap I Tahun 2017 Seri B	-	-		61,800	62,059		Obligasi Berkelanjutan III FIF Tahap I Tahun 2017 Seri B
Obligasi Berkelanjutan III FIF Tahap II Tahun 2017 Seri B	-	-		25,000	25,066		Obligasi Berkelanjutan III FIF Tahap II Tahun 2017 Seri B
Obligasi Berkelanjutan II FIF							Obligasi Berkelanjutan II FIF
PT Perusahaan Listrik Negara (Persero)							PT Perusahaan Listrik Negara (Persero)
Obligasi PLN XI Tahun 2010 Seri B	-	-		100,000	100,127		Obligasi PLN XI Tahun 2010 Seri B
Obligasi Berkelanjutan III PLN Tahap III Tahun 2019 Seri A	50,000	50,000		50,000	50,000		Obligasi Berkelanjutan III PLN Tahap III Tahun 2019 Seri A
Obligasi Berkelanjutan I PLN Tahap I Tahun 2013 Seri A	-	-		10,000	10,062		Obligasi Berkelanjutan I PLN Tahap I Tahun 2013 Seri A
Obligasi Berkelanjutan II PLN Tahap I Tahun 2017 Seri A	31,500	31,967		-	-		Obligasi Berkelanjutan II PLN Tahap I Tahun 2017 Seri A
Obligasi Berkelanjutan II PLN Tahap II Tahun 2017 Seri A	10,000	10,042		-	-		Obligasi Berkelanjutan II PLN Tahap II Tahun 2017 Seri A
PT Bank Danamon Tbk							PT Bank Danamon Tbk
Obligasi Berkelanjutan I Bank Danamon Tahap I Tahun 2019 Seri B	30,000	30,708		-	-		Obligasi Berkelanjutan I Bank Danamon Tahap I Tahun 2019 Seri B
PT BFI Finance Indonesia Tbk							PT BFI Finance Indonesia Tbk
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018 Seri B	-	-		100,000	100,000		Obligasi Berkelanjutan III BFI Finance Indonesia Tahap IV Tahun 2018 Seri B
Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap II Tahun 2019 Seri A	-	-		50,000	50,000		Obligasi Berkelanjutan IV BFI Finance Indonesia Tahap II Tahun 2019 Seri A
Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017 Seri B	-	-		10,000	10,008		Obligasi Berkelanjutan III BFI Finance Indonesia Tahap II Tahun 2017 Seri B
PT Astra Sedaya Finance							PT Astra Sedaya Finance
Obligasi Berkelanjutan IV Astra Sedaya Finance Tahap II Tahun 2019 Seri A	-	-		100,000	100,000		Obligasi Berkelanjutan IV Astra Sedaya Finance Tahap II Tahun 2019 Seri A
Obligasi Berkelanjutan IV Astra Sedaya Finance Tahap I Tahun 2018 Seri B	50,000	50,000		50,000	50,000		Obligasi Berkelanjutan IV Astra Sedaya Finance Tahap I Tahun 2018 Seri B
Obligasi Berkelanjutan IV Astra Sedaya Finance Tahap IV Tahun 2020 Seri B	50,000	50,000		-	-		Obligasi Berkelanjutan IV Astra Sedaya Finance Tahap IV Tahun 2020 Seri B
PT Pupuk Indonesia (Persero)							PT Pupuk Indonesia (Persero)
Obligasi Berkelanjutan I Pupuk Indonesia Tahap II Tahun 2017 Seri B	149,900	152,093		50,000	50,119		Obligasi Berkelanjutan I Pupuk Indonesia Tahap II Tahun 2017 Seri B
Obligasi Berkelanjutan I Pupuk Indonesia Tahap I Tahun 2017 Seri A	-	-		48,100	48,198		Obligasi Berkelanjutan I Pupuk Indonesia Tahap I Tahun 2017 Seri A
Obligasi Berkelanjutan I Pupuk Indonesia Tahap II Tahun 2017 Seri A	-	-		25,000	25,124		Obligasi Berkelanjutan I Pupuk Indonesia Tahap II Tahun 2017 Seri A
PT Medco Energi Internasional Tbk							PT Medco Energi Internasional Tbk
Obligasi Berkelanjutan III Medco Energi Internasional Tahap II Tahun 2018 Seri A	-	-		45,000	45,000		Obligasi Berkelanjutan III Medco Energi Internasional Tahap II Tahun 2018 Seri A
Obligasi Berkelanjutan III Medco Energi Internasional Tahap I Tahun 2018 Seri A	37,500	37,500		37,500	37,500		Obligasi Berkelanjutan III Medco Energi Internasional Tahap I Tahun 2018 Seri A
PT Indosat Tbk							PT Indosat Tbk
Obligasi Berkelanjutan II Indosat Tahap III Tahun 2018 Seri B	40,000	40,000		40,000	40,000		Obligasi Berkelanjutan II Indosat Tahap III Tahun 2018 Seri B
Obligasi Berkelanjutan II Indosat Tahap I Tahun 2017 Seri B	-	-		20,000	20,000		Obligasi Berkelanjutan II Indosat Tahap I Tahun 2017 Seri B
Obligasi Berkelanjutan I Indosat Tahap IV Tahun 2016 Seri C	15,000	15,015		15,000	15,034		Obligasi Berkelanjutan I Indosat Tahap IV Tahun 2016 Seri C

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PT Bank BCA Finance							PT Bank BCA Finance
Obligasi Berkelanjutan III BCA Finance Tahap I							Obligasi Berkelanjutan III BCA Finance Tahap I
Tahun 2019 Seri B		75,000	75,000		75,000	75,000	Tahun 2019 Seri B
PT Bank BRI (Persero) Tbk							PT Bank BRI (Persero) Tbk
Obligasi Berkelanjutan III Bank BRI							Obligasi Berkelanjutan III Bank BRI
Tahun I Tahun 2019 Seri B		66,000	66,000		66,000	66,000	Tahun I Tahun 2019 Seri B
PT Pembangunan Perumahan (Persero) Tbk							PT Pembangunan Perumahan (Persero) Tbk
Obligasi Berkelanjutan II PTPP							Obligasi Berkelanjutan II PTPP
Tahun I Tahun 2018 Seri A		57,000	57,000		57,000	57,000	Tahun I Tahun 2018 Seri A
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk							PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
Obligasi Berkelanjutan I Bank BJB							Obligasi Berkelanjutan I Bank BJB
Tahun II Tahun 2018 Seri A		50,000	50,000		50,000	50,000	Tahun II Tahun 2018 Seri A
PT Bank Mandiri (Persero) Tbk							PT Bank Mandiri (Persero) Tbk
Obligasi Berkelanjutan I Bank Mandiri							Obligasi Berkelanjutan I Bank Mandiri
Tahun II Tahun 2017 Seri D	-	-	-	51,000	49,408		Tahun II Tahun 2017 Seri D
Obligasi Berkelanjutan II Bank Mandiri							Obligasi Berkelanjutan II Bank Mandiri
Tahun I Tahun 2020 Seri A	17,000	17,000		-	-		Tahun I Tahun 2020 Seri A
PT Pegadaian (Persero)							PT Pegadaian (Persero)
Obligasi Berkelanjutan III Pegadaian							Obligasi Berkelanjutan III Pegadaian
Tahun II Tahun 2018 Seri B	37,000	37,000		37,000	37,000		Tahun II Tahun 2018 Seri B
Obligasi Berkelanjutan II Pegadaian							Obligasi Berkelanjutan II Pegadaian
Tahun III Tahun 2015 Seri C	-	-		10,000	10,027		Tahun III Tahun 2015 Seri C
Obligasi Berkelanjutan IV Pegadaian							Obligasi Berkelanjutan IV Pegadaian
Tahun I Tahun 2020 Seri A	25,000	25,000		-	-		Tahun I Tahun 2020 Seri A
Obligasi Berkelanjutan III Pegadaian							Obligasi Berkelanjutan III Pegadaian
Tahun I Tahun 2017 Seri C	15,000	15,012		-	-		Tahun I Tahun 2017 Seri C
Obligasi Berkelanjutan IV Pegadaian							Obligasi Berkelanjutan IV Pegadaian
Tahun II Tahun 2020 Seri A	70,000	70,000		-	-		Tahun II Tahun 2020 Seri A
Obligasi Berkelanjutan IV Pegadaian							Obligasi Berkelanjutan IV Pegadaian
Tahun III Tahun 2020 Seri A	25,000	25,000		-	-		Tahun III Tahun 2020 Seri A
Obligasi Berkelanjutan IV Pegadaian							Obligasi Berkelanjutan IV Pegadaian
Tahun III Tahun 2020 Seri B	25,000	25,000		-	-		Tahun III Tahun 2020 Seri B
Obligasi Berkelanjutan I Pegadaian							Obligasi Berkelanjutan I Pegadaian
Tahun I Tahun 2011 Seri C	30,000	30,679		-	-		Tahun I Tahun 2011 Seri C
PT Maybank Indonesia Tbk							PT Maybank Indonesia Tbk
Obligasi Berkelanjutan II Maybank Indonesia							Obligasi Berkelanjutan II Maybank Indonesia
Tahun IV Tahun 2019 Seri A	-	-		25,000	25,000		Tahun IV Tahun 2019 Seri A
PT Wahana Ottomitra Multiartha Tbk							PT Wahana Ottomitra Multiartha Tbk
Obligasi Berkelanjutan II WOM Finance							Obligasi Berkelanjutan II WOM Finance
Tahun IV Tahun 2018 Seri B	-	-		25,000	25,000		Tahun IV Tahun 2018 Seri B
PT Adira Dinamika Multi Finance Tbk							PT Adira Dinamika Multi Finance Tbk
Obligasi Berkelanjutan IV Adira Finance							Obligasi Berkelanjutan IV Adira Finance
Tahun V Tahun 2019 Seri A	-	-		20,000	20,000		Tahun V Tahun 2019 Seri A
Obligasi Berkelanjutan IV Adira Finance							Obligasi Berkelanjutan IV Adira Finance
Tahun V Tahun 2019 Seri A	-	-		-	-		Tahun V Tahun 2019 Seri A
PT Bank Tabungan Negara (Persero) Tbk							PT Bank Tabungan Negara (Persero) Tbk
Obligasi Berkelanjutan III BTN Tahap II							Obligasi Berkelanjutan III BTN Tahap II
Tahun 2019 Seri A	-	-		10,000	10,084		Tahun 2019 Seri A
Obligasi Berkelanjutan VIII BTN Tahap II							Obligasi Berkelanjutan VIII BTN Tahap II
Tahun 2019 Seri B	25,000	25,591		-	-		Tahun 2019 Seri B
Obligasi Berkelanjutan I BTN Tahap II							Obligasi Berkelanjutan I BTN Tahap II
Tahun 2013	5,000	5,027		-	-		Tahun 2013
PT Angkasa Pura I (Persero)							PT Angkasa Pura I (Persero)
Obligasi I Angkasa Pura II							Obligasi I Angkasa Pura II
Tahun 2016 Seri A	50,000	50,530		3,000	3,060		Tahun 2016 Seri A
Obligasi I Angkasa Pura I							Obligasi I Angkasa Pura I
Tahun 2016 Seri A	50,000	50,574		5,000	5,106		Tahun 2016 Seri A

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PT Semen Indonesia (Persero) Tbk							PT Semen Indonesia (Persero) Tbk
Obligasi Berkelanjutan I PT SI							Obligasi Berkelanjutan I PT SI
Tahap I Tahun 2017		170,000	172,423		-	-	Tahap I Tahun 2017
PT Telkom (Persero) Tbk							PT Telkom (Persero) Tbk
Obligasi Berkelanjutan I Telkom							Obligasi Berkelanjutan I Telkom
Tahap I Tahun 2015 Seri A		37,000	38,561		-	-	Tahap I Tahun 2015 Seri A
Obligasi Berkelanjutan Indonesia Eximbank							Obligasi Berkelanjutan Indonesia Eximbank
II Tahap III Tahun 2014 Seri C		-	-		-	-	II Tahap III Tahun 2014 Seri C
PT Mandiri Taspen							PT Mandiri Taspen
Obligasi Berkelanjutan I Bank Mantap							Obligasi Berkelanjutan I Bank Mantap
Tahap I Tahun 2019 Seri A		30,000	30,263		-	-	Tahap I Tahun 2019 Seri A
PT Bank BNI (Persero) Tbk							PT Bank BNI (Persero) Tbk
Obligasi Berkelanjutan I BNI Tahap I							Obligasi Berkelanjutan I BNI Tahap I
Tahun 2017		30,000	30,755		-	-	Tahun 2017
PT Bank CIMB Niaga Tbk							PT Bank CIMB Niaga Tbk
Obligasi Berkelanjutan II Bank CIMB							Obligasi Berkelanjutan II Bank CIMB
Niaga Tahap IV Tahun 2018 Seri B		29,000	29,279		-	-	Niaga Tahap IV Tahun 2018 Seri B
Obligasi Berkelanjutan II Bank CIMB							Obligasi Berkelanjutan II Bank CIMB
Niaga Tahap I Tahun 2016 Seri C		7,000	7,072		-	-	Niaga Tahap I Tahun 2016 Seri C
Obligasi Berkelanjutan II Bank CIMB							Obligasi Berkelanjutan II Bank CIMB
Niaga Tahap III Tahun 2017 Seri C		19,000	19,170		-	-	Niaga Tahap III Tahun 2017 Seri C
Obligasi Berkelanjutan III Bank CIMB							Obligasi Berkelanjutan III Bank CIMB
Niaga Tahap I Tahun 2019 Seri B		25,000	25,264				Niaga Tahap I Tahun 2019 Seri B
PT Bank PANIN Tbk							PT Bank PANIN Tbk
Obligasi Berkelanjutan II Bank PANIN Tahap II							Obligasi Berkelanjutan II Bank PANIN Tahap II
Tahun 2016		45,000	45,612		-	-	Tahun 2016
PT XL Axiata Tbk							PT XL Axiata Tbk
Obligasi Berkelanjutan I XL Axiata							Obligasi Berkelanjutan I XL Axiata
Tahap I Tahun 2018 Seri B		14,600	14,974		-	-	Tahap I Tahun 2018 Seri B
Sukuk Ijarah Berkelanjutan II XL Axiata							Sukuk Ijarah Berkelanjutan II XL Axiata
Tahap I Tahun 2018 Seri B		10,000	10,255		-	-	Tahap I Tahun 2018 Seri B
PT Jasa Marga (Persero) Tbk							PT Jasa Marga (Persero) Tbk
Obligasi Berkelanjutan II Jasa Marga							Obligasi Berkelanjutan II Jasa Marga
Tahap I Tahun 2020 Seri A		30,000	30,000		-	-	Tahap I Tahun 2020 Seri A
Obligasi Berkelanjutan II Jasa Marga							Obligasi Berkelanjutan II Jasa Marga
Tahap I Tahun 2020 Seri B		25,000	25,000		-	-	Tahap I Tahun 2020 Seri B
PT Indofood Sukses Makmur Tbk							PT Indofood Sukses Makmur Tbk
Obligasi Indofood Sukses Makmur							Obligasi Indofood Sukses Makmur
Tahap VIII Tahun 2017		41,500	41,957		-	-	Tahap VIII Tahun 2017
PT Bank Sulselbar							PT Bank Sulselbar
Obligasi Berkelanjutan I Bank Sulselbar Tahap II							Obligasi Berkelanjutan I Bank Sulselbar Tahap II
Tahun 2016		10,000	10,152		-	-	Tahun 2016
PT Bank DKI							PT Bank DKI
Obligasi Berkelanjutan I Bank DKI Tahap I							Obligasi Berkelanjutan I Bank DKI Tahap I
Tahap 2016		5,000	5,071		-	-	Tahap 2016
PT Mandiri Tunas Finance							PT Mandiri Tunas Finance
Obligasi Berkelanjutan IV Mandiri Tunas							Obligasi Berkelanjutan IV Mandiri Tunas
Finance Tahap II Tahun 2019 Seri A		31,000	31,670		-	-	Finance Tahap II Tahun 2019 Seri A
Sukuk Bank Indonesia							Sukuk of
setelah dikurangi diskonto yang belum							Bank Indonesia net of
diamortisasi masing-masing sebesar							unamortized discount of
RpNihil dan Rp Nihil pada tanggal							Rp Nihil and Rp Nihil as of
31 Desember 2020 dan 31 Desember 2019		317,412	317,412		-	-	December 31, 2020 and December 31, 2019 respectively
Sertifikat Bank Indonesia							Certificates of
setelah dikurangi diskonto yang belum							Bank Indonesia net of
diamortisasi masing-masing sebesar							unamortized discount of
RpNihil dan Rp19.682 pada tanggal							RpNihil and Rp19.682 as of
31 Desember 2020 dan 31 Desember 2019		-	-		1,370,829	1,351,147	December 31, 2020 and December 31, 2019 respectively

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	Jumlah nosional mata uang asing/ Notional amount foreign currency (Dalam angka penuh/ In full amount)	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	Jumlah nosional mata uang asing/ Notional amount foreign currency (Dalam angka penuh/ In full amount)	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	
Sertifikat Investasi Mudharabah Antar Bank (SIMA)							Interbank Mudharabah Investment Certificate
PT Bank Pembangunan Daerah Jawa Tengah	-	-	-	100,000	100,000	-	PT Bank Pembangunan Daerah Jawa Tengah
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	-	-	-	100,000	100,000	-	PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara
PT BRI Syariah	70,000	70,000	70,000	-	-	-	PT BRI Syariah
BPD Jateng	200,000	200,000	200,000	-	-	-	BPD Jateng
PT BPD Kalimantan Utara	45,000	45,000	45,000	-	-	-	PT BPD Kalimantan Utara
Biaya perolehan diamortisasi (lanjutan)							Amortized cost (continued)
Negotiable Certificate of Deposit (NCD)							Negotiable Certificate of Deposit (NCD)
PT BPD Jateng	-	-	-	-	-	-	PT BPD Jateng
NCD I BPD Jateng Tahun 2019 Seri A	-	-	-	250,000	248,135	-	NCD I BPD Jateng Tahun 2019 Seri A
PT Bank of Tokyo - Mitsubishi UFJ Ltd	-	-	-	-	-	-	PT Bank of Tokyo - Mitsubishi UFJ Ltd
NCD IV MUFG Bank Tahap V Tahun 2019 Seri A	-	-	-	150,000	149,141	-	NCD IV MUFG Bank Tahap V Tahun 2019 Seri A
NCD IV MUFG Bank Tahap II Tahun 2019 Seri D	-	-	-	20,000	19,850	-	NCD IV MUFG Bank Tahap II Tahun 2019 Seri D
NCD V MUFG Bank Tahap I Tahun 2020 Seri E	100,000	93,863	93,863	-	-	-	NCD V MUFG Bank Tahap I Tahun 2020 Seri E
PT Mandiri Taspen	-	-	-	-	-	-	PT Mandiri Taspen
NCD II BMTP Tahun 2019 Seri B	-	-	-	50,000	49,463	-	NCD II BMTP Tahun 2019 Seri B
PT BPD Kaltim dan Kaltara	-	-	-	-	-	-	PT BPD Kaltim dan Kaltara
NCD I BPD Kaltim Kaltara Tahun 2019	-	-	-	50,000	49,282	-	NCD I BPD Kaltim Kaltara Tahun 2019
PT Commonwealth Bank Indonesia	-	-	-	-	-	-	PT Commonwealth Bank Indonesia
NCD VII Commonwealth Tahap I Tahun 2020	90,000	89,650	89,650	-	-	-	NCD VII Commonwealth Tahap I Tahun 2020
PT Bank DKI	-	-	-	-	-	-	PT Bank DKI
NCD I Bank DKI Tahun 2019 Seri B	-	-	-	-	-	-	NCD I Bank DKI Tahun 2019 Seri B
Surat Utang Jangka Menengah							Medium Term Notes
PT Kimia Farma (Persero) Tbk	-	-	-	-	-	-	PT Kimia Farma (Persero) Tbk
MTN Kimia Farma Tahap II Tahun 2018	80,000	80,000	80,000	80,000	80,000	80,000	MTN Kimia Farma Tahap II Tahun 2018
PT Bank KEB Hana Indonesia	-	-	-	-	-	-	PT Bank KEB Hana Indonesia
MTN I Bank KEB Hana Indonesia Tahun 2018 Seri A	-	-	-	50,000	50,000	50,000	MTN I Bank KEB Hana Indonesia Tahun 2018 Seri A
PT Telekomunikasi Indonesia (Persero) Tbk	-	-	-	-	-	-	PT Telekomunikasi Indonesia (Persero) Tbk
MTN I Telkom Tahun 2018 Seri B	-	-	-	50,000	50,000	50,000	MTN I Telkom Tahun 2018 Seri B
MTN I Telkom Tahun 2018 Seri C	13,000	13,188	13,188	-	-	-	MTN I Telkom Tahun 2018 Seri C
PT Bank Danamon Tbk	-	-	-	-	-	-	PT Bank Danamon Tbk
MTN I PT Bank Danamon Tahun 2019	-	-	-	39,000	39,000	39,000	MTN I PT Bank Danamon Tahun 2019
PT Bank Sumitomo Mitsui Indonesia	-	-	-	-	-	-	PT Bank Sumitomo Mitsui Indonesia
MTN I PT Bank Sumitomo Mitsui Indonesia 2015	-	-	-	25,000	25,000	25,000	MTN I PT Bank Sumitomo Mitsui Indonesia 2015
Reksadana							Reksadana
PT PNM Investment Management	-	-	-	-	-	-	PT PNM Investment Management
RDSPU Puas	-	-	-	400,000	400,000	400,000	RDSPU Puas
RDSPU PNM Falah	100,000	100,000	100,000	100,000	100,000	100,000	RDSPU PNM Falah
RDSPT PNM Pembiayaan Mikro BUMN Seri II 2019	99,000	99,000	99,000	99,000	99,000	99,000	RDSPT PNM Pembiayaan Mikro BUMN Seri II 2019
RDPPT PNM Pembiayaan Mikro BUMN 2018	-	-	-	90,000	90,000	90,000	RDPPT PNM Pembiayaan Mikro BUMN 2018
RDSPT PNM Pembiayaan Mikro BUMN Seri III 2019	20,000	20,000	20,000	20,000	20,000	20,000	RDSPT PNM Pembiayaan Mikro BUMN Seri III 2019
RDPU Dana Likuid	400,000	400,000	400,000	-	-	-	RDPU Dana Likuid
PT Gemilang Indonesia Manajemen Investasi	-	-	-	-	-	-	PT Gemilang Indonesia Manajemen Investasi
RDPU GemilangKirana	100,000	100,000	100,000	400,000	400,000	400,000	RDPU GemilangKirana
PT Gemilang Indonesia Manajemen Investasi	-	-	-	-	-	-	PT Gemilang Indonesia Manajemen Investasi
RDPU Pool Advista	-	-	-	300,000	300,000	300,000	RDPU Pool Advista
PT Danareksa Investment Management	-	-	-	-	-	-	PT Danareksa Investment Management
RDPU Danareksa Seruni VI	-	-	-	100,000	100,000	100,000	RDPU Danareksa Seruni VI
RDPU Danareksa Seruni V	250,000	250,000	250,000	-	-	-	RDPU Danareksa Seruni V
PT BNI Asset Management	-	-	-	-	-	-	PT BNI Asset Management
RDPU BNI Infinite Fund	200,000	200,000	200,000	-	-	-	RDPU BNI Infinite Fund
PT Bahana TCW Investment Management	-	-	-	-	-	-	PT Bahana TCW Investment Management
RDPU Bahana Revolving Fund	200,000	200,000	200,000	-	-	-	RDPU Bahana Revolving Fund
PT Trimegah Asset Management	-	-	-	-	-	-	PT Trimegah Asset Management
RDPU Trimegah Pundi Kas 10	150,000	150,000	150,000	-	-	-	RDPU Trimegah Pundi Kas 10
PT Insight Investment Management	-	-	-	-	-	-	PT Insight Investment Management
RDPU Insight Dana Likuid	250,000	250,000	250,000	-	-	-	RDPU Insight Dana Likuid
PT RHB Asset Management Indonesia	-	-	-	-	-	-	PT RHB Asset Management Indonesia
RDPU RHB Money Market Fund 5	200,000	200,000	200,000	-	-	-	RDPU RHB Money Market Fund 5
PT Avrist Asset Management	-	-	-	-	-	-	PT Avrist Asset Management
RDPU Avrist Liquid Fund	400,000	400,000	400,000	-	-	-	RDPU Avrist Liquid Fund
RDSPU Avrist Ada Kas Syariah	100,000	100,000	100,000	100,000	100,000	100,000	RDSPU Avrist Ada Kas Syariah
Surat kredit berdokumen dalam negeri	19,664	19,664	19,664	11,955	11,955	11,955	Domestic L/C
	10,880,795	10,922,640	10,922,640	9,591,857	9,557,693	9,557,693	
Mata uang asing:							Foreign currencies:
Dolar Amerika Serikat	-	-	-	13,500	187	187	United States Dollar
Wesel ekspor	-	-	-	-	187	187	Export bill
Jumlah biaya perolehan diamortisasi	10,880,795	10,922,640	10,922,640	9,592,044	9,557,880	9,557,880	Total amortized cost

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	Jumlah nosional mata uang asing/ Notional amount foreign currency (Dalam angka penuh/ In full amount)			Jumlah nosional mata uang asing/ Notional amount foreign currency (Dalam angka penuh/ In full amount)			
	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value		Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value		
Nilai wajar melalui penghasilan komprehensif lain							Fair value through other comprehensive income
Surat Utang Negara							Government bonds
FR0053	10,000	10,121		10,000	10,340		FR0053
FR0063	80,000	80,261		-	-		FR0063
FR0070	560,000	600,214		-	-		FR0070
FR0077	298,000	316,556		-	-		FR0077
FR0081	322,810	330,533		-	-		FR0081
FR0084	540,000	537,213		-	-		FR0084
ORI017	180,000	185,089		-	-		ORI017
PBS002	713,908	720,967		-	-		PBS002
PBS017	550,000	518,048		-	-		PBS017
PBS019	173,466	183,215		-	-		PBS019
PBS026	104,050	106,629		-	-		PBS026
Kenaikan harga pasar yang belum direalisasi	-	155,251		-	25		Unrealized gain on changes of fair value
Jumlah nilai wajar melalui penghasilan komprehensif lain	3,532,234	3,744,097		10,000	10,365		Total fair value through other comprehensive income
Jumlah biaya perolehan diamortisasi dan nilai wajar melalui penghasilan komprehensif lain	14,413,029	14,666,737		9,602,044	9,568,245		Total amortized cost and fair value through other comprehensive income
Penyisihan kerugian penurunan nilai	-	(8,118)		-	(5,174)		Allowance for impairment losses
Jumlah surat berharga	14,413,029	14,658,619		9,602,044	9,563,071		Total marketable securities

b. Berdasarkan hubungan

Pada tanggal 31 Desember 2020 dan 2019, tidak terdapat surat berharga pada pihak berelasi.

c. Berdasarkan penerbit

b. By relationship

As of December 31, 2020 and 2019, there were no marketable securities transactions with related parties.

c. By issuers

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Pemerintah Republik Indonesia	9,131,467	3,423,246	Government of the Republic of Indonesia
Bank Indonesia	317,412	1,648,753	Bank Indonesia
Perbankan :			Banking:
PT Bank Pembangunan Daerah Jawa Tengah	200,000	348,135	PT Bank Pembangunan Daerah Jawa Tengah
PT Bank of Tokyo - Mitsubishi UFJ Ltd	93,863	168,991	PT Bank of Tokyo - Mitsubishi UFJ Ltd
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	45,000	149,282	PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara
PT Bank Rakyat Indonesia (Persero) Tbk	66,000	66,000	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank KEB Hana Indonesia	-	50,000	PT Bank KEB Hana Indonesia
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	50,000	50,000	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
PT Bank Mandiri Taspen	30,263	49,463	PT Bank Mandiri Taspen
PT Bank Mandiri (Persero) Tbk	17,000	49,408	PT Bank Mandiri (Persero) Tbk
PT Bank Danamon Indonesia Tbk	30,708	39,000	PT Bank Danamon Indonesia Tbk
PT Maybank Indonesia Tbk	-	25,000	PT Maybank Indonesia Tbk
PT Bank Sumitomo Mitsui Indonesia	-	25,000	PT Bank Sumitomo Mitsui Indonesia
PT Bank Tabungan Negara (Persero) Tbk	30,618	10,084	PT Bank Tabungan Negara (Persero) Tbk
PT Bank Panin Tbk	45,612	-	PT Bank Panin Tbk
PT BPD DKI	5,071	-	PT BPD DKI
PT Bank BNI (Persero) Tbk	230,755	-	PT Bank BNI (Persero) Tbk
PT Bank Sulsebar	10,152	-	PT Bank Sulsebar
PT Bank CIMB Niaga Tbk	80,785	-	PT Bank CIMB Niaga Tbk
PT Bank BRI Syariah	70,000	-	PT Bank BRI Syariah
PT Commonwealth Bank Indonesia	89,650	-	PT Commonwealth Bank Indonesia
	1,095,477	1,030,363	

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Korporasi			Corporate:
PT Permodalan Nasional Madani (Persero)	619,000	709,000	PT Permodalan Nasional Madani (Persero)
PT Gemilang Indonesia Manajemen Investasi	100,000	400,000	PT Gemilang Indonesia Manajemen Investasi
PT Pool Advista Aset Manajemen	-	300,000	PT Pool Advista Aset Manajemen
PT Sarana Multigriya Finansial (Persero)	351,240	294,085	PT Sarana Multigriya Finansial (Persero)
PT Sarana Multi Infrastruktur (Persero)	127,037	250,166	PT Sarana Multi Infrastruktur (Persero)
PT Federal International Finance Tbk	-	187,125	PT Federal International Finance Tbk
PT Perusahaan Listrik Negara (Persero)	92,009	160,189	PT Perusahaan Listrik Negara (Persero)
PT BFI Finance Indonesia Tbk	-	160,008	PT BFI Finance Indonesia Tbk
PT Astra Sedaya Finance	100,000	150,000	PT Astra Sedaya Finance
PT Pupuk Indonesia (Persero)	152,093	123,440	PT Pupuk Indonesia (Persero)
PT Danareksa Investment Management	250,000	100,000	PT Danareksa Investment Management
PT Avrisc Asset Management	500,000	100,000	PT Avrisc Asset Management
PT Medco Energi International Tbk	37,500	82,500	PT Medco Energi International Tbk
PT Kimia Farma (Persero) Tbk	80,000	80,000	PT Kimia Farma (Persero) Tbk
PT Indosat Tbk	55,015	75,034	PT Indosat Tbk
PT BCA Finance	75,000	75,000	PT BCA Finance
PT Pembangunan Perumahan (Persero) Tbk	57,000	57,000	PT Pembangunan Perumahan (Persero) Tbk
PT Telekomunikasi Indonesia Tbk	51,749	50,000	PT Telekomunikasi Indonesia Tbk
PT Pegadaian (Persero)	227,691	47,027	PT Pegadaian (Persero)
PT Wahana Ottomitra Multiartha Tbk	-	25,000	PT Wahana Ottomitra Multiartha Tbk
PT Adira Dinamika Multi Finance Tbk	-	20,000	PT Adira Dinamika Multi Finance Tbk
PT Angkasa Pura I (Persero)	50,574	8,167	PT Angkasa Pura I (Persero)
PT Insight Investment Management	250,000	-	PT Insight Investment Management
PT Semen Indonesia (Persero) Tbk	172,423	-	PT Semen Indonesia (Persero) Tbk
PT Angkasa Pura II (Persero)	50,530	-	PT Angkasa Pura II (Persero)
PT Trimegah Securities	150,000	-	PT Trimegah Securities
PT XL Axiata Tbk	25,229	-	PT XL Axiata Tbk
PT Jasa Marga (Persero) Tbk	55,000	-	PT Jasa Marga (Persero) Tbk
PT Indofood Sukses Makmur Tbk	41,957	-	PT Indofood Sukses Makmur Tbk
PT Mandiri Tunas Finance	31,670	-	PT Mandiri Tunas Finance
PT Bahana Sekuritas	200,000	-	PT Bahana Sekuritas
PT RHB Sekuritas	200,000	-	PT RHB Sekuritas
Surat kredit berdokumen dalam negeri	19,664	11,955	Domestic L/C
Wesel Ekspor	-	187	Export Bill
	4,122,381	3,465,883	
Penyisihan kerugian penurunan nilai	(8,118)	(5,174)	Allowance for impairment losses
Jumlah surat-surat berharga	14,658,619	9,563,071	Total marketable securities

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d. Berdasarkan peringkat

Peringkat surat berharga pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

d. By rating

The ratings of marketable securities as of December 31, 2020 and 2019 are as follows:

	31 Desember/ December 31, 2020		
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying value
Rupiah:			
Surat Utang Negara	-	-	9,131,467
Bank Indonesia	-	-	317,412
PT Permodalan Nasional Madani (Persero)	Pefindo	idA+	619,000
PT Gemilang Indonesia Manajemen Investasi	-	-	100,000
PT Insight Investment Management	-	-	250,000
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	351,240
PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA	127,037
PT Bank Pembangunan Daerah Jawa Tengah	Pefindo	idAAA-	200,000
PT Bank DKI	Pefindo	idAA-	5,071
PT Bank of Tokyo - Mitsubishi UFJ Ltd	Fitch Global	A(idn)	93,863
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	92,009
PT Bank CIMB Niaga Tbk	Pefindo	idAAA	80,785
PT Astra Sedaya Finance	Fitch Indonesia	AAA(idn)	100,000
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	Pefindo	idA	45,000
PT Pupuk Indonesia (Persero)	Fitch Indonesia	AAA(idn)	152,093
PT Avrist Asset Management	-	-	500,000
PT Danareksa Investment Management	-	-	250,000
PT Medco Energi International Tbk	Pefindo	idA+	37,500
PT Kimia Farma (Persero) Tbk	Pefindo	idAA-	80,000
PT Indosat Tbk	Pefindo	idAAA	55,015
PT BCA Finance	Pefindo	idAAA	75,000
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	66,000
PT Pembangunan Perumahan (Persero) Tbk	Pefindo	idA+	57,000
PT Indofood Sukses Makmur Tbk	Pefindo	idAA+	41,957
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Pefindo	idAA-	50,000
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	51,749
PT Semen Indonesia (Persero)	Pefindo	idAA	172,423
PT Bank Mandiri Taspen	Pefindo	idAA+	30,263
PT Bank Mandiri (Persero) Tbk	Pefindo	idAAA	17,000
PT Mandiri Tunas Finance	Pefindo	idAA+	31,670
PT Bank Rakyat Indonesia Syariah	Pefindo	idAA+	70,000
PT Pegadaian (Persero)	Pefindo	idAAA	227,691
PT Bank Danamon Indonesia Tbk	Pefindo	idAAA	30,708
PT Bank Commonwealth	Fitch Indonesia	AAA(idn)	89,650
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAA+	30,618
PT Angkasa Pura I (Persero)	Pefindo	idAAA	50,574
PT Angkasa Pura II (Persero)	Pefindo	idAAA	50,530
PT Bank Panin Tbk	Pefindo	idAA	45,612
PT Bank BNI (Persero) Tbk	Pefindo	idAAA	230,755
PT Bank Sulselbar	Pefindo	idA+	10,152
PT XL Axiata Tbk	Fitch Indonesia	AAA(idn)	25,229
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	55,000
PT Bahana Sekuritas	-	-	200,000
PT RHB Sekuritas	-	-	200,000
PT Trimegah Securities	-	-	150,000
Surat kredit berdokumen dalam negeri	-	-	19,664
Jumlah Rupiah			14,666,737
Mata uang asing:			
Wesel ekspor			-
			14,666,737
Penyisihan kerugian penurunan nilai			(8,118)
Jumlah surat-surat berharga			14,658,619

Rupiah:	
Government Bonds	
Certificates of Bank Indonesia	
PT Permodalan Nasional Madani (Persero)	
PT Gemilang Indonesia Manajemen Investasi	
PT Insight Investment Management	
PT Sarana Multigriya Finansial (Persero)	
PT Sarana Multi Infrastruktur (Persero)	
PT Bank Pembangunan Daerah Jawa Tengah	
PT Bank DKI	
PT Bank of Tokyo - Mitsubishi UFJ Ltd	
PT Perusahaan Listrik Negara (Persero)	
PT Bank CIMB Niaga Tbk	
PT Astra Sedaya Finance	
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	
PT Pupuk Indonesia	
PT Avrist Asset Management	
PT Danareksa Investment Management	
PT Medco Energi International Tbk	
PT Kimia Farma (Persero) Tbk	
PT Indosat Tbk	
PT BCA Finance	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Pembangunan Perumahan (Persero) Tbk	
PT Indofood Sukses Makmur Tbk	
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	
PT Telekomunikasi Indonesia Tbk	
PT Semen Indonesia (Persero)	
PT Bank Mandiri Taspen	
PT Bank Mandiri (Persero) Tbk	
PT Mandiri Tunas Finance	
PT Bank Rakyat Indonesia Syariah	
PT Pegadaian (Persero)	
PT Bank Danamon Indonesia Tbk	
PT Bank Commonwealth	
PT Bank Tabungan Negara (Persero) Tbk	
PT Angkasa Pura I (Persero)	
PT Angkasa Pura II (Persero)	
PT Bank Panin Tbk	
PT Bank BNI (Persero) Tbk	
PT Bank Sulselbar	
PT XL Axiata Tbk	
PT Jasa Marga (Persero) Tbk	
PT Bahana Sekuritas	
PT RHB Sekuritas	
PT Trimegah Securities	
Domestic L/C	
Total Rupiah	
Foreign currency:	
Export bill	
	-
Allowance for impairment losses	
Total marketable securities	

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	31 Desember/ December 31, 2019			
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying value	
Rupiah:				Rupiah:
Surat Utang Negara	-	-	3,423,246	Government Bonds
Bank Indonesia	-	-	1,648,753	Certificates of Bank Indonesia
PT Permodalan Nasional Madani (Persero)	Pefindo	idA+	709,000	PT Permodalan Nasional Madani (Persero)
PT Gemilang Indonesia Manajemen Investasi	-	-	400,000	PT Gemilang Indonesia Manajemen Investasi
PT Pool Advista Aset Manajemen	-	-	300,000	PT Pool Advista Aset Manajemen
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	294,085	PT Sarana Multigriya Finansial (Persero)
PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA	250,166	PT Sarana Multi Infrastruktur (Persero)
PT Bank Pembangunan Daerah Jawa Tengah	Pefindo	idAA-	348,135	PT Bank Pembangunan Daerah Jawa Tengah
PT Federal International Finance Tbk	Fitch Indonesia	AAA(idn)	187,125	PT Federal International Finance Tbk
PT Bank of Tokyo - Mitsubishi UFJ Ltd	Fitch Global	A(idn)	168,991	PT Bank of Tokyo - Mitsubishi UFJ Ltd
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	160,189	PT Perusahaan Listrik Negara (Persero)
PT BFI Finance Indonesia Tbk	Fitch Indonesia	A+(idn)	160,008	PT BFI Finance Indonesia Tbk
PT Astra Sedaya Finance	Fitch Indonesia	AAA(idn)	150,000	PT Astra Sedaya Finance
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	Pefindo	idA	149,282	PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara
PT Pupuk Indonesia (Persero)	Fitch Indonesia	AAA(idn)	123,440	PT Pupuk Indonesia
PT Avrist Asset Management	-	-	100,000	PT Avrist Asset Management
PT Danareksa Investment Management	-	-	100,000	PT Danareksa Investment Management
PT Medco Energi International Tbk	Pefindo	idA+	82,500	PT Medco Energi International Tbk
PT Kimia Farma (Persero) Tbk	Pefindo	idAA-	80,000	PT Kimia Farma (Persero) Tbk
PT Indosat Tbk	Pefindo	idAAA	75,034	PT Indosat Tbk
PT BCA Finance	Pefindo	idAAA	75,000	PT BCA Finance
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	66,000	PT Bank Rakyat Indonesia (Persero) Tbk
PT Pembangunan Perumahan (Persero) Tbk	Pefindo	idA+	57,000	PT Pembangunan Perumahan (Persero) Tbk
PT Bank KEB Hana Indonesia	Fitch Indonesia	AAA(idn)	50,000	PT Bank KEB Hana Indonesia
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Pefindo	idAA-	50,000	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	50,000	PT Telekomunikasi Indonesia Tbk
PT Bank Mandiri Taspen	Pefindo	idAA+	49,463	PT Bank Mandiri Taspen
PT Bank Mandiri (Persero) Tbk	Pefindo	idAAA	49,408	PT Bank Mandiri (Persero) Tbk
PT Pegadaian (Persero)	Pefindo	idAAA	47,027	PT Pegadaian (Persero)
PT Bank Danamon Indonesia Tbk	Pefindo	idAAA	39,000	PT Bank Danamon Indonesia Tbk
PT Maybank Indonesia Tbk	Pefindo	idAAA	25,000	PT Maybank Indonesia Tbk
PT Bank Sumitomo Mitsui Indonesia	Pefindo	idAAA	25,000	PT Bank Sumitomo Mitsui Indonesia
PT Wahana Ottomitra Multiartha Tbk	Fitch Indonesia	AA-(idn)	25,000	PT Wahana Ottomitra Multiartha Tbk
PT Adira Dinamika Multi Finance Tbk	Pefindo	idAAA	20,000	PT Adira Dinamika Multi Finance Tbk
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAA+	10,084	PT Bank Tabungan Negara (Persero) Tbk
PT Angkasa Pura I (Persero)	Pefindo	idAAA	8,167	PT Angkasa Pura I (Persero)
Lembaga Pembiayaan Ekspor Indonesia	Pefindo	idAAA	-	Lembaga Pembiayaan Ekspor Indonesia
Surat kredit berdokumen dalam negeri	-	-	11,955	Domestic L/C
Jumlah Rupiah			9,568,058	Total Rupiah
Mata uang asing:				Foreign currency:
Wesel ekspor			187	Export bill
			9,568,245	
Penyisihan kerugian penurunan nilai			(5,174)	Allowance for impairment losses
Jumlah surat-surat berharga			9,563,071	Total marketable securities

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e. Jangka waktu dan tingkat bunga

	31 Desember/ December 31, 2020
Kurang dari 1 tahun	10,264,875
1 - 5 tahun	4,401,862
	14,666,737
Dikurangi: Penyisihan kerugian kerugian penurunan nilai	(8,118)
Jumlah surat-surat berharga	14,658,619

Tingkat bunga per tahun:

	31 Desember/ December 31, 2020
Rupiah	11.71%

e. By maturity and interest rates

	31 Desember/ December 31, 2019
Kurang dari 1 tahun	3,860,083
1 - 5 years	5,708,162
	9,568,245
Dikurangi: Allowance for impairment losses	(5,174)
Total marketable securities	9,563,071

Less than 1 year
1 - 5 yearsLess: Allowance for
impairment losses
Total marketable securities

Interest rates per annum:

	31 Desember/ December 31, 2019
Rupiah	7.14%

Rupiah

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:

	31 Desember/ December 31, 2020
Saldo awal	20
Penambahan laba yang belum direalisasi selama periode berjalan	155,206
Jumlah sebelum pajak tangguhan	155,226
Pajak tangguhan	(29,493)
Saldo akhir bersih	125,733

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:

	31 Desember / December 31, 2019
Saldo awal	-
Penambahan laba yang belum direalisasi selama periode berjalan	25
Jumlah sebelum pajak tangguhan	25
Pajak tangguhan	(5)
Saldo akhir bersih	20

Beginning balance
Addition of unrealized gains
during the period
Total before deferred tax
Deferred tax
Ending balance net**g. Kolektibilitas**

Pada tanggal 31 Desember 2020 dan 2019, kolektibilitas surat-surat berharga adalah dalam kategori lancar.

g. Collectibility

As of December 31, 2020 and 2019, the collectibility of securities are classified as current.

h. Nilai tercatat bruto**h. Gross carrying amount**

	31 Desember 2020 / December 31, 2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total
Nilai tercatat bruto awal 1 Januari 2020	9,368,245	-	-	200,000	9,568,245
Aset baru	9,425,410	-	-	387,412	9,812,822
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(6,297,292)	-	-	-	(6,297,292)
Transfer ke Tahap 1	-	-	-	-	-
Transfer ke Tahap 2	-	-	-	-	-
Transfer ke Tahap 3	-	-	-	-	-
Pengukuran kembali	1,627,962	-	-	(45,000)	1,582,962
Penghapusbukuan	-	-	-	-	-
Nilai tercatat bruto akhir	14,124,325	-	-	542,412.00	14,666,737

Initial gross carrying amount
as at January 1, 2020
New assets originatedAssets derecognized
or repaid (exclude write off)Transfer to Stage 1
Transfer to Stage 2
Transfer to Stage 3
Remeasurement
Write off**Ending gross carrying amount**

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	31 Desember 2019 / December 31, 2019					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total	
Nilai tercatat bruto awal						<i>Initial gross carrying amount</i>
1 Januari 2019	7,791,958	-	-	-	7,791,958	<i>as at January 1, 2019</i>
Aset baru	5,107,735	-	-	200,000	5,307,735	<i>New assets originated</i>
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(4,985,728)	-	-	-	(4,985,728)	<i>Assets derecognized or repaid (exclude write off)</i>
Transfer ke Tahap 1	-	-	-	-	-	<i>Transfer to Stage 1</i>
Transfer ke Tahap 2	-	-	-	-	-	<i>Transfer to Stage 2</i>
Transfer ke Tahap 3	-	-	-	-	-	<i>Transfer to Stage 3</i>
Pengukuran kembali	1,454,280	-	-	-	1,454,280	<i>Remeasurement</i>
Penghapusbukuan	-	-	-	-	-	<i>Write off</i>
Nilai tercatat bruto akhir	<u>9,368,245</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>9,568,245</u>	<i>Ending gross carrying amount</i>

f. Cadangan kerugian penurunan nilai

Cadangan kerugian penurunan nilai atas surat berharga adalah sebagai berikut:

f. Allowance for impairment losses

Allowance for impairment losses for marketable securities are as follows:

	31 Desember 2020 / December 31, 2020					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total	
Saldo awal						<i>Initial balance</i>
1 Januari 2020	5,174	-	-	-	5,174	<i>January 1, 2020</i>
Aset Baru	8,113	-	-	-	8,113	<i>New assets originated</i>
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(4,818)	-	-	-	(4,818)	<i>Assets derecognized or repaid (exclude write off)</i>
Transfer ke Tahap 1	-	-	-	-	-	<i>Transfer to Stage 1</i>
Transfer ke Tahap 2	-	-	-	-	-	<i>Transfer to Stage 2</i>
Transfer ke Tahap 3	-	-	-	-	-	<i>Transfer to Stage 3</i>
Pengukuran kembali	(351)	-	-	-	(351)	<i>Remeasurement</i>
Penghapusbukuan	-	-	-	-	-	<i>Write off</i>
Ending balance	<u>8,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,118</u>	<i>Ending balance</i>

	31 Desember 2019 / December 31, 2019					
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Syariah/ Sharia	Total	
Saldo awal						<i>Initial gross carrying amount</i>
1 Januari 2019	513	-	-	-	513	<i>as at January 1, 2019</i>
Aset Baru	4,385	-	-	-	4,385	<i>New assets originated</i>
Aset dihentikan pengakuannya atau dilunasi (kecuali hapus buku)	(184)	-	-	-	(184)	<i>Assets derecognized or repaid (exclude write off)</i>
Transfer ke Tahap 1	-	-	-	-	-	<i>Transfer to Stage 1</i>
Transfer ke Tahap 2	-	-	-	-	-	<i>Transfer to Stage 2</i>
Transfer ke Tahap 3	-	-	-	-	-	<i>Transfer to Stage 3</i>
Pengukuran kembali	460	-	-	-	460	<i>Remeasurement</i>
Penghapusbukuan	-	-	-	-	-	<i>Write off</i>
Ending balance	<u>5,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,174</u>	<i>Ending gross carrying amount</i>

Jumlah minimum penyisihan kerugian penurunan nilai surat-surat berharga yang wajib dibentuk sesuai ketentuan Bank Indonesia masing-masing adalah sebesar Rp14.738 dan Rp44.862 pada tanggal 31 Desember 2020 dan 2019.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya surat berharga adalah memadai.

Minimum allowance for impairment losses for marketable securities required by Bank Indonesia as of December 31, 2020 and 2019 amounted to Rp14,738 and Rp44,862, respectively.

Management believes that the allowance for impairment losses on marketable securities is adequate.

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**8. TAGIHAN DARI SURAT BERHARGA YANG
DIBELI DENGAN JANJI DIJUAL KEMBALI**

Pada tanggal 31 Desember 2020 dan 2019 Bank memiliki tagihan dari surat berharga yang dijual dengan janji dibeli kembali sejumlah RpNihil dan Rp1.038.432 dengan rincian sebagai berikut:

**8. RECEIVABLE FROM MARKETABLE
SECURITIES PURCHASED UNDER RESALE
AGREEMENT**

As of December 31, 2020 and 2019, the Bank has a number of marketable securities for sale with reverse repurchase agreement RpNil and Rp1,038,432, with details as follows:

31 Desember/ December 31, 2019					
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Diskonto yang belum diamortisasi/ Unamortized discount	Nilai bersih/ Net value
Sertifikat Bank Indonesia					
IDBI170120364S	425,000	10 Desember / December 10, 2019	17 Januari/ January 17, 2020	1,234	423,766
IDBI200320364S	300,000	17 Desember / December 17, 2019	20 Maret/ March 20, 2020	4,142	295,858
IDBI200320364S	204,600	13 Desember / December 13, 2019	20 Maret/ March 20, 2020	2,851	201,749
IDBI170120364S	117,400	11 Desember / December 11, 2019	17 Januari/ January 17, 2020	341	117,059
Jumlah/Total	1,047,000			8,568	1,038,432

**9. SURAT BERHARGA YANG DIBELI DENGAN
JANJI DIJUAL KEMBALI**

Pada tanggal 31 Desember 2020 dan 2019 Bank memiliki surat berharga yang dibeli dengan janji dijual kembali sejumlah Rp12.573.044 dan Rp5.837.520 dengan rincian sebagai berikut:

**9. MARKETABLE SECURITIES PURCHASED
UNDER RESALE AGREEMENT**

As of December 31, 2020 and 2019 Bank has a number of marketable securities purchased under resale agreement Rp12,573,044 and Rp5,837,520, with details as follows:

31 Desember/ December 31, 2020						
Jenis surat berharga/ Securities	Harga beli/ Purchase price	Tanggal mulai/ Start date	Tanggal jual kembali/ Resale date	Harga jual kembali/ Resale price	Pendapatan bunga yang belum direalisasi/ Unrealized interest income	Nilai bersih/ Net value
Surat Utang Negara						
FR0080	172,808	09 April/ April 09, 2020	25 Juni/ Juni 25, 2021	180,354	3,942	176,750
FR0082	239,108	26 Juni/ Juni 26, 2020	26 Maret/ Maret 26, 2021	246,919	5,408	244,516
VR0035	477,516	28 Desember/ December 28, 2020	04 Januari/ January 04, 2021	477,864	199	477,715
FR0081	3,839,994	29 Desember/ December 29, 2020	05 Januari/ January 05, 2021	3,842,794	1,200	3,841,194
FR0056	3,260,697	30 Desember/ December 30, 2020	06 Januari/ January 06, 2021	3,263,075	679	3,261,376
FR0043	175,610	29 Desember/ December 29, 2020	05 Januari/ January 05, 2021	175,738	55	175,665
FR0044	300,549	29 Desember/ December 29, 2020	05 Januari/ January 05, 2021	300,768	94	300,643
VR0043	4,094,332	30 Desember/ December 30, 2020	06 Januari/ January 06, 2021	4,097,317	853	4,095,185
Jumlah/Total	12,560,614			12,584,829	12,430	12,573,044

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31 Desember/ December 31, 2019						
Jenis surat berharga/ Securities	Harga beli/ Purchase price	Tanggal mulai/ Start date	Tanggal jual kembali/ Resale date	Harga jual kembali/ Resale price	Pendapatan bunga yang belum direalisasi/ Unrealized interest income	Nilai bersih/ Net value
Surat Utang Negara						
FR0070	1,329,212	31 Desember/ December 31, 2019	14 Januari/ January 14, 2020	1,331,807	185	1,329,397
FR0078	879,098	26 Desember/ December 26, 2019	23 Januari/ January 23, 2020	882,544	739	879,837
FR0061	831,747	31 Desember/ December 31, 2019	28 Januari/ January 28, 2020	835,007	116	831,863
FR0061	829,290	26 Desember/ December 26, 2019	9 Januari/ January 9, 2020	830,909	694	829,984
FR0059	762,475	30 Desember/ December 30, 2019	13 Januari/ January 13, 2020	763,964	213	762,688
SPN12200213	755,344	30 Desember/ December 30, 2019	6 Januari/ January 6, 2020	756,078	210	755,554
FR0063	233,857	27 Desember/ December 27, 2019	24 Januari/ January 24, 2020	234,774	164	234,021
FR0077	102,393	31 Desember/ December 31, 2019	31 Maret / March 31, 2020	103,702	14	102,407
FR0057	57,137	26 Juli/ July 26, 2019	24 Januari/ January 24, 2020	58,842	1,489	58,626
FR0079	51,796	26 Juli/ July 26, 2019	24 Januari/ January 24, 2020	53,338	1,347	53,143
Jumlah/Total	5,832,349			5,850,965	5,171	5,837,520

10. TAGIHAN LAINNYA

10. OTHER RECEIVABLES

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Tagihan transfer dan ATM	119,779	31,920	Transfer receivables and ATM
Lainnya	12,153	49,345	Others
Total	131,932	81,265	Total

Pada tanggal 31 Desember 2020 dan 2019, tidak terdapat tagihan pada pihak berelasi.

As of December 31, 2020 and 2019, there were no other receivables from related parties.

Kolektibilitas tagihan lainnya pada tanggal 31 Desember 2020 dan 2019 adalah lancar.

The collectibility of all other receivables as of December 31, 2020 and 2019 was classified as current.

Manajemen berpendapat bahwa seluruh tagihan lainnya dapat ditagih dan penyisihan kerugian penurunan nilai tidak diperlukan.

Management believes that other receivables are fully collectible and that allowance for impairment losses is unnecessary.

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11. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH

Seluruh kredit yang diberikan oleh Bank adalah dalam Rupiah.

a. Berdasarkan jenis dan kolektibilitas

		31 Desember/ December 31, 2020					
		Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss
Modal kerja		8,599,891	7,133,134	478,450	18,179	33,145	936,983
Investasi		6,050,859	5,734,721	70,344	3,070	4,584	238,140
Konsumsi		26,830,016	26,126,648	278,345	27,560	42,042	355,421
Jumlah		41,480,766	38,994,503	827,139	48,809	79,771	1,530,544
Dikurangi: Penyisihan kerugian penurunan nilai		(1,454,721)	(69,366)	(96,415)	(18,831)	(33,678)	(1,236,431)
Jumlah kredit yang diberikan, neto		40,026,045	38,925,137	730,724	29,978	46,093	294,113

Working capital
Investment
Consumption
Total
Less: Allowance for impairment losses
Total loans, net

11. LOANS AND SHARIA FINANCING

All loans provided by the Bank are in Rupiah.

a. By type and collectibility of loans

		31 Desember/ December 31, 2019					
		Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss
Modal kerja		8,272,825	7,248,866	304,419	16,112	33,297	670,131
Investasi		4,716,573	4,431,878	125,903	18,337	4,626	135,829
Konsumsi		25,362,902	24,944,802	235,693	28,727	38,454	115,226
Jumlah		38,352,300	36,625,546	666,015	63,176	76,377	921,186
Dikurangi: Penyisihan kerugian penurunan nilai		(980,134)	(96,757)	(96,698)	(18,322)	(13,951)	(754,406)
Jumlah kredit yang diberikan, neto		37,372,166	36,528,789	569,317	44,854	62,426	166,780

Working capital
Investment
Consumption
Total
Less: Allowance for impairment losses
Total loans, net

b. Berdasarkan sektor ekonomi dan kolektibilitas

b. By economic sector of loans and collectibility

		31 Desember/ December 31, 2020					
		Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss
Rumah tangga		26,808,761	26,102,716	280,096	27,560	42,352	356,037
Perdagangan besar dan eceran		4,695,115	3,743,922	337,124	9,989	20,006	584,074
Konstruksi		4,429,821	4,202,325	8,924	-	26	218,546
Industri pengolahan		1,222,617	1,061,001	51,354	1,026	7,036	102,200
Pertanian perburuan dan kehutanan		1,060,119	947,002	46,728	2,331	2,646	61,412
Perantara keuangan		922,290	859,047	34,627	4,029	2,385	22,202
Jasa kemasyarakatan dan sosial budaya		1,211,915	1,134,235	28,254	2,088	1,069	46,269
Jasa kesehatan dan kegiatan sosial		290,912	282,861	3,128	1,276	890	2,757
Jasa pendidikan		125,459	123,007	39	-	-	2,413
Listrik gas dan air		95,098	45,481	729	-	-	48,888
Akomodasi makanan dan minuman		215,231	188,554	13,700	328	1,272	11,377
Transportasi pergudangan dan komunikasi		155,115	138,136	1,571	-	1,500	13,908
Real estate usaha persewaan dan jasa perusahaan		108,574	76,106	11,441	65	589	20,373
Pertambangan dan penggalian		51,000	14,645	2,498	39	-	33,818
Perikanan		41,498	29,255	6,109	78	-	6,056
Jasa perorangan yang melayani rumah tangga		11,105	10,119	817	-	-	169
Kegiatan yang belum jelas batasannya		36,136	36,091	-	-	-	45
Jumlah		41,480,766	38,994,503	827,139	48,809	79,771	1,530,544
Dikurangi: Penyisihan kerugian penurunan nilai		(1,454,721)	(69,366)	(96,415)	(18,831)	(33,678)	(1,236,431)
Jumlah kredit yang diberikan, neto		40,026,045	38,925,137	730,724	29,978	46,093	294,113

Household
Wholesale and retail trade
Construction
Processing industry
Agriculture, hunting and forestry
Financial intermediaries
Public and social culture services
Health services and social activities
Education services
Electricity, gas and water
Accommodation, food and beverage
Transportation, warehousing and communications
Real estate, business services and business ownership
Mining and quarrying
Fishery
Individual services which serve households
Activity is still undefined
Total
Less: Allowance for impairment losses
Total loans, net

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	31 Desember/ December 31, 2019						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Rumah tangga	25,334,285	24,916,962	234,959	28,727	38,453	115,184	Household
Perdagangan besar dan eceran	4,361,446	3,734,235	261,762	23,831	26,988	314,630	Wholesale and retail trade
Konstruksi	3,981,653	3,761,892	5,088	215	733	213,725	Construction
Industri pengolahan	1,192,579	1,099,336	32,564	4,945	2,752	52,982	Processing industry
Pertanian perburuan dan kehutanan	881,760	782,840	39,118	1,237	3,912	54,653	Agriculture, hunting and forestry
Perantara keuangan	708,391	681,435	8,930	-	1,988	16,038	Financial intermediaries
Jasa kemasyarakatan dan sosial budaya	701,087	649,402	13,376	290	977	37,042	Public and social culture services
Jasa kesehatan dan kegiatan sosial	268,320	263,372	3,601	129	355	863	Health services and social activities
Jasa pendidikan	201,671	178,430	21,017	-	-	2,224	Education services
Listrik gas dan air	134,438	83,450	-	-	-	50,988	Electricity, gas and water
Akomodasi makanan dan minuman	207,517	168,549	35,692	143	-	3,133	Accommodation, food and beverage
Transportasi pergudangan dan komunikasi	148,269	133,519	2,182	2,900	193	9,475	Transportation, warehousing and communications
Real estate usaha persewaan dan jasa perusahaan	115,686	98,872	2,445	114	26	14,229	Real estate, business services and business ownership
Pertambangan dan penggalian	48,092	12,159	3,076	-	-	32,857	Mining and quarrying
Perikanan	33,265	28,152	1,350	645	-	3,118	Fishery
Jasa perorangan yang melayani rumah tangga	3,428	3,307	121	-	-	-	Individual services which serve households
Kegiatan yang masih belum jelas batasannya	1,684	1,684	-	-	-	-	Activity is still undefined
Administrasi pemerintahan	360	360	-	-	-	-	Government administration
Lain-lain	28,369	27,590	734	-	-	45	Others
Jumlah	38,352,300	36,625,546	666,015	63,176	76,377	921,186	Total
Dikurangi: Penyisihan kerugian penurunan nilai	(980,134)	(96,757)	(96,698)	(18,322)	(13,951)	(754,406)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	<u>37,372,166</u>	<u>36,528,789</u>	<u>569,317</u>	<u>44,854</u>	<u>62,426</u>	<u>166,780</u>	Total loans, net

c. Berdasarkan sisa umur kredit

c. Maturity of loans

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Kurang dari 1 tahun	5,298,060	5,274,470	Less than 1 year
1 - 2 tahun	2,097,100	1,962,833	1 - 2 years
Lebih dari 2 - 5 tahun	10,929,635	10,619,363	More than 2 - 5 years
Lebih dari 5 tahun	23,155,971	20,495,634	Over 5 years
	41,480,766	38,352,300	
Dikurangi: Penyisihan kerugian penurunan nilai	(1,454,721)	(980,134)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	<u>40,026,045</u>	<u>37,372,166</u>	Total loans, net

d. Berdasarkan hubungan

d. By relationship

	31 Desember/ December 31, 2020						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Pihak berelasi (Catatan 36)	285,595	285,595	-	-	-	-	Related party (Note 36)
Pihak ketiga	41,195,171	38,708,908	827,139	48,809	79,771	1,530,544	Third parties
Jumlah	41,480,766	38,994,503	827,139	48,809	79,771	1,530,544	Total
Dikurangi: Penyisihan kerugian penurunan nilai	-	-	-	-	-	-	Less: Allowance for impairment losses
Pihak berelasi	(1,454,721)	(69,366)	(96,415)	(18,831)	(33,678)	(1,236,431)	Related parties
Pihak ketiga	(1,454,721)	(69,366)	(96,415)	(18,831)	(33,678)	(1,236,431)	Third parties
Jumlah	<u>40,026,045</u>	<u>38,925,137</u>	<u>730,724</u>	<u>29,978</u>	<u>46,093</u>	<u>294,113</u>	Total
Jumlah kredit yang diberikan, neto							Total loans, net

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	31 Desember/ December 31, 2019						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Pihak berelasi (Catatan 36)	320,896	320,896	-	-	-	-	Related party (Note 36)
Pihak ketiga	38,031,404	36,304,650	666,015	63,176	76,377	921,186	Third parties
Jumlah	38,352,300	36,625,546	666,015	63,176	76,377	921,186	Total
Dikurangi: Penyisihan kerugian penurunan nilai	-	-	-	-	-	-	Less: Allowance for impairment losses
Pihak berelasi	-	-	-	-	-	-	Related parties
Pihak ketiga	(980,134)	(96,757)	(96,698)	(18,322)	(13,951)	(754,406)	Third parties
Jumlah	(980,134)	(96,757)	(96,698)	(18,322)	(13,951)	(754,406)	Total
Jumlah kredit yang diberikan, neto	37,372,166	36,528,789	569,317	44,854	62,426	166,780	Total loans, net

Kredit yang diberikan kepada pihak berelasi, termasuk pinjaman kepada manajemen kunci. Pinjaman kepada manajemen kunci pada tanggal 31 Desember 2020 dan 2019, masing-masing sebesar Rp115.072 dan Rp128.489 (Catatan 36) merupakan kredit untuk pembelian kendaraan, rumah dan keperluan lainnya dengan jangka waktu antara 1 - 20 tahun dan dikenakan bunga sebesar 4% per tahun.

Loans to related parties include loans to key management. Loans to key management as of December 31, 2020 and 2019 amounted to Rp115.072 and Rp128,489, respectively (Note 36), which involved automobiles, housing and other loans, with terms of between 1 - 20 years and interest at rates of between 4% per annum.

e. Tingkat bunga tahunan

Tingkat bunga kredit yang diberikan dalam Rupiah pada tanggal 31 Desember 2020 dan 2019, masing-masing sebesar 10,50%-12,75% dan 11,63%-12,62%.

e. Annual interest rates

The annual interest rates of loans in Rupiah as of December 31, 2020 and 2019 are 10.50%-12.75% and 11.63%-12.62% respectively.

f. Kredit sindikasi

Keikutsertaan Bank sebagai anggota sindikasi dengan persentase penyertaan pada tanggal 31 Desember 2020 dan 2019, masing-masing berkisar antara 2,64%-63,89% dan 2,63%-66,67% dari total pinjaman sindikasi.

f. Syndicated loans

The share of the Bank in syndicated loans as of December 31, 2020 and 2019 ranged from 2,64% - 63,89% and 2,63% - 66,67%, respectively, from total of syndication loan.

g. Kredit yang direstrukturisasi

Restrukturisasi kredit pada tanggal 31 Desember 2020 dan 2019, adalah masing-masing sebesar Rp1.990.415 dan Rp126.150.

g. Restructured loans

The restructured loans as of December 31, 2020 and 2019 amounted to Rp1,990,415 and Rp126,150.

	31 Desember / December 31, 2020	31 Desember / December 31, 2019	
Perpanjangan Waktu Kredit	201,562	66,529	Exsistension of loan period
Perpanjangan Waktu Kredit dan Penyesuaian Suku Bunga	442,475	2,981	Exsistension of loan period and interest rate adjustment
Perpanjangan Waktu Kredit dan Skema Lain	1,346,378	56,640	Exsistension of loan period and other schemes
Total	1,990,415	126,150	Total

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.

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.

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- h. Batas Maksimum Pemberian Kredit (BMPK)
Pada tanggal 31 Desember 2020 dan 2019, Bank telah memenuhi ketentuan BMPK.

- i. Dalam pinjaman termasuk saldo pembiayaan yang diberikan berdasarkan prinsip Syariah dari unit Syariah pada tanggal 31 Desember 2020 dan 2019, adalah sebagai berikut:

	31 Desember/ December 31 2020	31 Desember/ December 31 2019	
Murabahah	796,351	678,335	Murabahah
Musyarakah	653,189	543,839	Musyarakah
Mudharabah	132,951	154,989	Mudharabah
Qardh	24,589	24,431	Qardh
Ijarah	279	239	Ijarah
	1,607,359	1,401,833	

- j. Kredit tidak lancar (Non-Performing Loan/NPL)

	31 Desember/ December 31, 2020
Jumlah NPL	1,659,124
Rasio NPL bruto	4.00%
Rasio NPL neto	0.89%

- k. Jumlah kredit yang diberikan dan pembiayaan syariah dijamin pada tanggal 31 Desember 2020 dan 2019, masing-masing sebesar Rp240.934 dan Rp185.801 dengan jaminan berupa deposito berjangka masing-masing sebesar Rp93.023 dan Rp75.228. (Catatan 17c.)

- l. Kredit yang diberikan dan pembiayaan sharia yang dihapusbukukan untuk tahun yang berakhir pada tanggal 31 Desember 2020 dan 2019, masing-masing adalah sebesar Rp92.085 dan Rp579.822.

- m. Perubahan penyisihan kerugian penurunan nilai adalah sebagai berikut:

	31 Desember/ December, 31 2020				
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	Total/ Total
Saldo awal tahun/ Beginning balance of year	101,672	66,546	767,280	44,636	980,134
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	48,573	(8,387)	(40,186)	-	-
Transfer ke tahap 2/Transfer to stage 2	(2,657)	2,940	(283)	-	-
Transfer ke tahap 3/Transfer to stage 3	(28,945)	(54,821)	83,766	-	-
Penghapusbukuan/Write-off	(23,002)	(11,190)	(44,875)	(13,018)	(92,085)
Dibebankan ke laporan laba rugi/ Charge to statement of profit or loss	(31,545)	74,432	506,560	17,225	566,672
Saldo 31 Desember 2020/ Balance at December 31, 2020	64,096	69,520	1,272,262	48,843	1,454,721

- h. Legal Lending Limits (LLL)

As of December 31, 2020 and 2019, the Bank was in compliance with Bank Indonesia's legal lending limits.

- i. The amounts of loans including financing provided based on Sharia principles from Sharia unit as of December 31, 2020 and 2019 are as follows:

- j. Non-performing loans (NPL)

	31 Desember/ December 31, 2019	
Jumlah NPL	1,060,739	Total NPL
Rasio NPL bruto	2,77%	Ratio of gross NPL
Rasio NPL neto	0,71%	Ratio of net NPL

- k. Total loans and sharia financing pledged as collateral as of December 31, 2020 and 2019 were Rp240,934 and Rp185,801, respectively with collateral of time deposit amounting Rp93,023 and Rp75,228. (Note 17c.)

- l. Loans and sharia financing written-off for the year ended December 31, 2020 and 2019 amounted to Rp92.085 and Rp579,822, respectively.

- m. The changes in the allowance for impairment losses are as follows:

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31 Desember/ December, 31 2019					
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	Total/ Total
Saldo awal tahun/ Beginning balance of year	94,399	15,086	1,063,686	25,379	1,198,550
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	37,482	(4,584)	(32,898)	-	-
Transfer ke tahap 2/Transfer to stage 2	(1,975)	2,521	(546)	-	-
Transfer ke tahap 3/Transfer to stage 3	(1,664)	(7,573)	9,237	-	-
Penghapusbukuan/Write-off	(36,237)	(44,957)	(482,751)	(15,877)	(579,822)
Dibebankan ke laporan laba rugi/ Charge to statement of profit or loss	9,667	106,053	210,552	35,134	361,406
Saldo 31 Desember 2019/ Balance at December 31, 2019	101,672	66,546	767,280	44,636	980,134

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.

Management believes that the allowance for impairment losses on uncollectible loans and sharia financing is adequate.

Saldo cadangan kerugian penurunan nilai adalah sebesar Rp1.156.814 (individual) dan Rp297.907 (kolektif) pada tanggal 31 Desember 2020 dan Rp755.326 (individual) dan Rp224.808 (kolektif) pada tanggal 31 Desember 2019.

The balance of allowance for impairment losses amounted to Rp1,156,814 (individual) and Rp297,907 (collective) as of December 31, 2020 and Rp755,326 (individual) and Rp224,808 (collective) as of December 31, 2019.

Beban penyisihan kerugian penurunan nilai adalah sebesar Rp566.672 pada tanggal 31 Desember 2020 dan Rp361.406 pada 31 Desember 2019.

Provision for impairment losses amounted to Rp566,672 as of December 31, 2020 and Rp361,406 as of December 31, 2019.

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.

Management believes that the allowance for impairment losses is adequate to cover possible losses arising from uncollectible loans and sharia financing.

- n. Mutasi nilai tercatat bruto kredit yang diberikan dan pembiayaan syariah:

- n. Changes in the gross carrying amount of loans and sharia financing:

31 Desember/ December, 31 2020					
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	Total/ Total
Saldo awal tahun/ Beginning balance of year	35,499,520	366,327	1,084,620	1,401,833	38,352,300
Perubahan aset keuangan/ Change due to financial assets					
Transfer ke tahap 1/Transfer to stage 1	180,861	(98,359)	(82,502)	-	-
Transfer ke tahap 2/Transfer to stage 2	(399,978)	402,797	(2,819)	-	-
Transfer ke tahap 3/Transfer to stage 3	(614,373)	(230,294)	844,667	-	-
Aset keuangan yang baru atau dibeli/ New financial assets originated or purchased	16,351,500	176,067	88,746	218,544	16,834,857
Modifikasi arus kas kontraktual atas aset keuangan/ Modification of contractual cashflow of financial assets	(1,282,700)	(10,055)	(79,537)	-	(1,372,292)
Perubahan akrual bunga/Change in interest accrual	(11,915,882)	(139,939)	(186,193)	-	(12,242,014)
Penghapusbukuan/Write-off	(23,002)	(11,190)	(44,875)	(13,018)	(92,085)
Saldo 31 Desember 2020/ Balance at December 31, 2020	37,795,946	455,354	1,622,107	1,607,359	41,480,766

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31 Desember/ December, 31 2019					
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	Total/ Total
Saldo awal tahun/ Beginning balance of year	31,185,982	266,396	1,321,197	1,119,662	33,893,237
Perubahan aset keuangan/ Change due to financial assets					
Transfer ke tahap 1/Transfer to stage 1	100,474	(77,040)	(23,434)	-	-
Transfer ke tahap 2/Transfer to stage 2	(238,987)	242,122	(3,135)	-	-
Transfer ke tahap 3/Transfer to stage 3	(269,281)	(136,874)	406,155	-	-
Aset keuangan yang baru atau dibeli/ New financial assets originated or purchased	4,760,089	119,794	-	310,689	5,190,572
Modifikasi arus kas kontraktual atas aset keuangan/ Modification of contractual cashflow of financial assets	-	-	(113,509)	(12,641)	(126,150)
Perubahan akrual bunga/Change in interest accrual	-	-	(25,537)	-	(25,537)
Penghapusbukuan/Write-off	(38,757)	(48,071)	(477,117)	(15,877)	(579,822)
Saldo 31 Desember 2019/ Balance at December 31, 2019	35,499,520	366,327	1,084,620	1,401,833	38,352,300

- o. Rasio kredit usaha mikro, kecil dan menengah (UMKM) terhadap jumlah kredit yang diberikan pada tanggal-tanggal 31 Desember 2020 dan 2019, masing-masing adalah sebesar 22,41% and 27,54%.

- 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 14 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:

- Plafon kredit kurang dari atau sama dengan Rp500, subsidi bunga yang diberikan sebesar 6% selama 3 bulan pertama dan 3% selama tiga bulan berikutnya.
- Plafon kredit lebih dari Rp500 sampai dengan Rp10.000, subsidi bunga yang diberikan sebesar 3% selama tiga bulan pertama dan 2% selama tiga bulan berikutnya.

Sampai dengan tanggal 31 Desember 2020, Bank telah menerima subsidi bunga dari Pemerintah untuk disalurkan kepada debitur UMKM sebesar Rp2.778.

- o. Ratio of micro, small and medium scale enterprises (UMKM) credit to total loans as at December 31, 2020 and 2019 were 22.41% and 27.54% 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 14, 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:

- The credit limit is less than or equal to Rp500, the interest subsidy is 6% for the first 3 months and 3% for the following three months.
- The credit limit is more than Rp. 500 to Rp. 10,000, the interest subsidy is 3% for the first three months and 2% for the following three months.

Until December 31, 2020, the Bank has distributed interest subsidies for SME debtors amounted to Rp2,778.

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q. Bank menjaminkan kreditnya kepada LPDB-KUMKM dengan nilai minimal 100% dari *outstanding* pinjaman yang menjadi jaminan fidusia. Pada 31 Desember 2020 dan 2019 bank memiliki sisa pinjaman sebesar Rp209.314 dan Rp343.247. Apabila dalam jangka waktu pinjaman terdapat penurunan kualitas piutang yang dijaminkan maka bank wajib mengganti dengan piutang baru yang sehat.

q. 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, 2020 and 2019 the bank has outstanding loan of Rp209,314 and Rp343,247. 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.

12. PENDAPATAN BUNGA YANG MASIH AKAN DITERIMA

	31 Desember/ December 31, 2020	
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
Rupiah:		
Kredit yang diberikan		380,365
Lain-lain		174,645
Mata uang asing:		
Lain-lain		
Dolar Amerika Serikat	702	10
Jumlah pendapatan bunga yang masih akan diterima		555,020

12. ACCRUED INTEREST INCOME

	31 Desember/ December 31, 2019	
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
Rupiah:		
Kredit yang diberikan		331,565
Lain-lain		84,845
Mata uang asing:		
Lain-lain		
Dolar Amerika Serikat	720	10
Jumlah pendapatan bunga yang masih akan diterima		416,420

Rupiah:
Loans
Others

Foreign currencies:
Others
United States Dollar
**Total interest
receivables**

13. BIAYA DIBAYAR DIMUKA

	31 Desember/ December 31, 2020
Asuransi tunjangan hari tua	119,556
Sewa dibayar dimuka	22,962
Asuransi lainnya	2,305
Lainnya	83,109
Jumlah biaya dibayar dimuka	227,932

Sewa dibayar dimuka merupakan sewa atas gedung kantor cabang dan rumah dinas.

13. PREPAID EXPENSES

	31 Desember/ December 31, 2019
Mutual aid pension insurance	126,252
Prepaid rent	84,732
Other insurance	2,317
Others	72,221
Total prepaid expenses	285,522

Prepaid rent represents rent of the branch office buildings and official house.

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14. ASET TETAP**14. FIXED ASSETS**

31 Desember/ December 31, 2020								
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Revaluasi/ Revaluation	Saldo akhir/ Ending balance			
Biaya perolehan							Cost	
Tanah	855,737	-	10	(268)	6,199	861,658	Land	
Bangunan	202,822	230	-	-	-	203,052	Buildings	
Peralatan kantor	483,554	32,041	-	-	-	515,595	Office equipment	
Kendaraan bermotor	51,911	40	5,378	-	-	46,573	Motor vehicles	
	1,594,024	32,311	5,388	(268)	6,199	1,626,878		
Aset dalam penyelesaian	1,431	176	1,431	-	-	176	Construction in progress	
Aset hak guna	-	255,518	-	-	-	255,518	Right of use assets	
	1,595,455	288,005	6,819	(268)	6,199	1,882,572		
Akumulasi penyusutan							Accumulated depreciation	
Bangunan	88,387	9,308	-	-	-	97,695	Buildings	
Peralatan kantor	435,457	28,223	-	-	-	463,680	Office equipment	
Kendaraan bermotor	48,182	2,501	5,378	-	-	45,305	Motor vehicles	
	572,026	40,032	5,378	-	-	606,680		
Aset hak guna	-	69,912	-	-	-	69,912	Right of use assets	
	572,026	109,944	5,378	-	-	676,592		
Nilai buku neto	1,023,429					1,205,980	Net book value	

31 Desember/ December 31, 2019								
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Revaluasi/ Revaluation	Saldo akhir/ Ending balance			
Biaya perolehan							Cost	
Tanah	781,498	-	-	-	74,239	855,737	Land	
Bangunan	195,769	294	-	6,759	-	202,822	Buildings	
Peralatan kantor	462,846	20,437	2	273	-	483,554	Office equipment	
Kendaraan bermotor	53,730	139	1,958	-	-	51,911	Motor vehicles	
	1,493,843	20,870	1,960	7,032	74,239	1,594,024		
Aset dalam penyelesaian	7,207	1,256	-	(7,032)	-	1,431	Construction in progress	
Bangunan	1,501,050	22,126	1,960	-	74,239	1,595,455	Buildings	
Akumulasi penyusutan							Accumulated depreciation	
Bangunan	77,838	10,549	-	-	-	88,387	Buildings	
Peralatan kantor	402,557	32,902	2	-	-	435,457	Office equipment	
Kendaraan bermotor	48,598	1,542	1,958	-	-	48,182	Motor vehicles	
	528,993	44,993	1,960	-	-	572,026		
Nilai buku neto	972,057					1,023,429	Net book value	

Aset hak guna per 31 Desember 2020 adalah sebagai berikut:

Right of use assets as of December 31, 2020 are as follows:

31 Desember/December 31, 2020						
Saldo awal/ Beginning balance *)	Penambahan/ Addition	Pengurangan/ Deduction	Saldo akhir/ Ending balance			
Biaya perolehan					Cost	
Aset Hak Guna					Right of use assets	
Bangunan	74,656	32,386	-	107,042	Buildings	
Peralatan Kantor	43,891	9,831	-	53,722	Office Equipment	
Kendaraan	89,658	5,096	-	94,754	Motor Vehicles	
Total Biaya Perolehan	208,205	47,313	-	255,518	Total Cost	
Akumulasi penyusutan					Accumulated depreciation	
Aset Hak Guna					Right of use assets	
Bangunan	-	25,500	-	25,500	Buildings	
Peralatan Kantor	-	14,520	-	14,520	Office Equipment	
Kendaraan	-	29,892	-	29,892	Motor Vehicles	
Total Akumulasi Penyusutan	-	69,912	-	69,912	Total Accumulated depreciation	
Nilai buku	208,205			185,607	Net book value	

*) saldo awal per 1 Januari 2020

*) beginning balance at January 1, 2020

Tabel beban hak guna yang dilaporkan dalam laporan laba rugi:

Right of use assets expense that reported on Statement of Profit or Loss and Other Comprehensive Income:

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	Beban Penyusutan Aset Hak Guna/ Amortization expense of landrights	Beban Bunga Liabilitas Sewa/ Interest expense of rental liabilities	Beban yang berhubungan dengan Sewa Jangka Pendek/ Expenses related to short - term rentals	
Aset Hak Guna				Right of use assets
Bangunan	25,500	506	14,938	Buildings
Peralatan Kantor	14,520	4,394	2,604	Office Equipment
Kendaraan	29,892	9,258	8,450	Motor Vehicles

Tanah merupakan Sertifikat Hak Guna Bangunan ("SHGB"), Sertifikat Hak Milik atas Satuan Rumah Susun ("SHMASRS") dan Sertifikat Hak Milik ("SHM") seluas 105.114m². SHGB dan SHMASRS diberikan untuk periode maksimum 30 tahun dan dapat diperbarui.

Land represents Building Rights Title ("SHGB"), Strata Title ("SHMASRS") and Freehold Title (SHM) of 105,114m². SHGB and SHMASRS were obtained for a maximum period of 30 years and may be extended.

Beban penyusutan untuk tahun yang berakhir pada tanggal 31 Desember 2020 dan 2019, masing-masing sebesar Rp109.944 dan Rp44.993 (Catatan 33).

Depreciation expense for years ended December 31, 2020 and 2019 amounted to Rp109,944 and Rp44,993 respectively (Note 33).

Pada tanggal 31 Desember 2019, 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 revaluasi dari sebelumnya menggunakan model biaya. Kenaikan nilai tercatat aset tetap tanah sebesar Rp74.238. Pada tanggal 31 Desember 2020, Bank mencatat kenaikan dari revaluasi aset tetap sebesar Rp6.199. Kenaikan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain.

On December 31, 2019, the Bank conducted a revaluation (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 increase in the carrying value of land fixed assets amounted to Rp74,238. As of December 31, 2020, the Bank recorded increase from revaluation amounting to Rp6,199. The increase in the carrying amount arising from the revaluation are recorded as "Surplus Revaluation of Fixed Assets", and are presented in other comprehensive income

Penilaian dilakukan sesuai dengan ketentuan 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.

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.

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.

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.

Berdasarkan laporan penilaian dari Kantor Jasa Penilai Publik (KJPP) Satri Iskandar Setiawan & Rekan tanggal 26 Februari 2021 dan KJPP Satria

Based on appraisal report of "Kantor Jasa Penilai Publik (KJPP) Satri Iskandar Setiawan & Partner dated February 26, 2021. and KJPP Satria Iskandar

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Iskandar Setiawan & Rekan tanggal 3 Januari 2020, nilai wajar atas tanah yang dimiliki Bank pada tanggal 31 Desember 2020 dan 2019 adalah sebesar Rp1.250.181 dan Rp1.271.069.

Setiawan & Rekan" dated January 3, 2020, the valuation of land owned by the Banks as of December 31, 2020 and 2019 amounted Rp1,250,181 and Rp1,271,069, respectively.

Pada tanggal 31 Desember 2020 dan 2019, jika tanah diukur dengan metode biaya, nilai tercatatnya sebesar Rp861.658.

On December 31, 2020 and 2019, if land is measured by cost method, its carrying value is Rp861,658.

Aset tetap, kecuali tanah, pada tanggal 31 Desember 2020 dan 2019 diasuransikan terhadap risiko kebakaran, kerusakan, kecelakaan, dan pencurian dengan jumlah pertanggungan masing-masing sebesar Rp3.337.644 dan Rp3.337.378. Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset yang dipertanggungkan.

All fixed assets, except land were insured against fire, riot, accident, and theft risks as of December 31, 2020 and 2019 for insurance coverage amounting to Rp3,337,644 and Rp3,337,378, respectively. Management believes that the insurance coverage is adequate to cover possible losses from the assets for insured risks.

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.

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.

Rincian aset dalam penyelesaian adalah sebagai berikut:

The details of construction in progress are as follows:

	Jenis aset/ Type of asset	Persentase penyelesaian/ Percentage of completion	Akumulasi biaya/ Accumulated Cost	Estimasi Penyelesaian/ Estimated Completion
31 Desember/ December 31, 2020	Bangunan/ <i>Buildings</i>	72%	176	2021
31 Desember/ December 31, 2019	Bangunan/ <i>Buildings</i>	88%	1.431	2020

Jumlah tercatat bruto dari aset tetap yang telah disusutkan penuh namun masih digunakan dalam usaha adalah sebagai berikut:

The gross carrying amount of fixed assets that have been fully depreciated but still in use in operations are as follows:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Bangunan	17,546	17,731	<i>Buildings</i>
Peralatan kantor	359,516	321,199	<i>Office equipment</i>
Kendaraan bermotor	40,395	27,561	<i>Motor vehicle</i>

Pada tanggal 31 Desember 2020 dan 2019 peralatan kantor yang telah dihapus buku masing-masing sebesar RpNihil dan Rp2.

As of December 31 2020 and 2019, office equipment has been written-off amount RpNihil and Rp2.

Pada tanggal 31 Desember 2020 dan 2019, tidak terdapat aset tetap yang dijadikan jaminan.

As of December 31, 2020 and 2019, there were no fixed assets pledged as collateral.

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Aset tetap kendaraan bermotor yang telah dihapusbuku, kemudian dilakukan penjualan melalui lelang dengan rincian sebagai berikut:

Fixed assets - motor vehicles that have been write-off, then do the sale through auction as follows:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Harga jual	2,670	393	<i>Proceed</i>
Nilai buku	-	-	<i>Book Value</i>
Laba penjualan aset tetap	2,670	393	Gain from sale of fixed assets

Pada tahun 2020 terdapat Hak Guna Lahan yang telah jatuh tempo dan tidak dapat diperpanjang kembali sebesar Rp10.

In 2020, there is a land use right that has matured and cannot be extended again, amounting to Rp10.

15. ASET LAIN-LAIN

15. OTHER ASSETS

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Surat ketetapan pajak lebih bayar	283,450	-	<i>Overpayment tax assessment letter</i>
Beban yang ditangguhkan	39,114	22,634	<i>Deferred charges</i>
Persediaan alat tulis kantor dan barang cetakan	21,536	22,040	<i>Office stationery and printed form</i>
Lainnya, neto	11,998	8,192	<i>Others, net</i>
Jumlah Aset Lain-lain	356,098	52,866	Total Other Asset

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.

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.

Lainnya termasuk biaya perpanjangan hak atas tanah yang ditangguhkan dan diamortisasi selama masa manfaat hak atas tanah dengan menggunakan metode garis lurus.

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.

Manajemen berkeyakinan bahwa tidak terdapat penurunan nilai aset lain-lain karena manajemen berpendapat bahwa nilai tercatat aset lain-lain tidak melebihi estimasi nilai yang dapat diperoleh kembali.

Management believes that there is no impairment in the value of other assets since management believes that the carrying amounts of other assets do not exceed the estimated recoverable amount.

16. LIABILITAS SEGERA

16. OBLIGATIONS DUE IMMEDIATELY

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Transfer, inkaso, kliring	192,669	156,229	<i>Transfer and cheques pending collection and clearing</i>
Beban sudah efektif harus dibayar	71,014	50,671	<i>Amount involving expenses payable</i>
Penerimaan yang akan diperhitungkan	77,612	88,770	<i>Acceptance pending settlement</i>
Lain-lain	143,539	61,895	<i>Others</i>
Total	484,834	357,565	Total

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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 2020 dan 2019 adalah dalam mata uang Rupiah.

17. SIMPANAN DARI NASABAH

a. Berdasarkan segmen

	31 Desember/ December 31, 2020
Rupiah Konvensional	
Tabungan	
- Simpeda	15,148,485
- Siklus	3,999,906
- Tabunganku	3,015,202
- Simpanan Pelajar	50,945
- Haji	22,838
- Siklus Nelayan	444
	<u>22,237,820</u>
Giro	
- Pemerintah Daerah	14,112,454
- Umum	6,921,139
	<u>21,033,593</u>
Deposito berjangka	
- 1 bulan	17,287,971
- 2 bulan	241,063
- 3 bulan	3,509,162
- 6 bulan	2,074,869
- 12 bulan	85,881
- 18 bulan	130
- 24 bulan	3,449
- Jatuh tempo	429
- Deposito <i>on call</i>	57,525
	<u>23,260,479</u>
Total konvensional	<u>66,531,892</u>

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Acceptance pending settlement represents funds received for the payment of *on-line* tax, payment of teleph one, 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, 2020 and 2019 are in Rupiah currency.

17. DEPOSITS FROM CUSTOMERS

a. Based on segment

	31 Desember/ December 31, 2019	
Rupiah Conventional		
Savings		
- Simpeda	15,124,888	
- Siklus	3,850,545	
- Tabunganku	2,594,358	
- Simpanan Pelajar	46,661	
- Haji	26,199	
- Siklus Nelayan	279	
	<u>21,642,930</u>	
Current accounts		
- Municipal District	17,320,587	
- Public	6,388,557	
	<u>23,709,144</u>	
Time deposits		
- 1 month	10,104,409	
- 2 months	259,061	
- 3 months	2,830,994	
- 6 months	70,042	
- 12 months	140,244	
- 18 months	145	
- 24 months	3,142	
- Due Date	-	
- Deposits <i>on call</i>	49,490	
	<u>13,457,527</u>	
Total conventional	<u>58,809,601</u>	

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	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Syariah			Sharia
Tabungan			Savings
- Haji Amanah	263,577	258,766	Haji Amanah -
- Barokah	261,496	250,012	Barokah -
- Tabunganku	45,485	40,087	Tabunganku -
- Tabungan Barokah Sejahtera	7,791	-	Barokah Sejahtera Saving -
- Simpanan Pelajar	5,439	5,450	Simpanan Pelajar -
- Umroh Amanah	3,882	-	Umroh Amanah -
- Tabungan Rencana	983	-	Rencana Saving -
- Tabungan Pensiun	26	-	Retired Saving -
	<u>588,679</u>	<u>554,315</u>	
Giro			Current accounts
- Wadiah Pemerintah	1,015	898	Government wadiah -
- Wadiah swasta	87,649	101,896	Private wadiah -
- Wadiah perorangan	1,081	1,649	Individual wadiah -
	<u>89,745</u>	<u>104,443</u>	
Deposito			Deposits
- 1 bulan	947,674	844,185	1 month -
- 3 bulan	180,679	117,851	3 months -
- 6 bulan	2,713	3,046	6 months -
- 12 bulan	16,946	21,668	12 months -
	<u>1,148,012</u>	<u>986,750</u>	
Total syariah	<u>1,826,436</u>	<u>1,645,508</u>	Total sharia
Total Rupiah	<u>68,358,328</u>	<u>60,455,109</u>	Total Rupiah
Mata uang asing			Foreign currencies
Konvensional			Conventional
Giro			Current accounts
- Umum	6,077	12,292	Public -
Tabungan			Savings
- Siklus	47,798	26,393	Siklus -
	<u>53,875</u>	<u>38,685</u>	
Deposito berjangka			Time deposits
- 1 bulan	49,257	45,105	1 month -
- 3 bulan	3,573	3,983	3 months -
- 6 bulan	3,169	172	6 months -
- 12 bulan	78	2,818	12 months -
	<u>56,077</u>	<u>52,078</u>	
Total mata uang asing	<u>109,952</u>	<u>90,763</u>	Total foreign currencies
Total	<u>68,468,280</u>	<u>60,545,872</u>	Total

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b. Berdasarkan hubungan dan mata uang

	31 Desember/ December 31, 2020	
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
Pihak berelasi		
<u>Rupiah</u>		
Konvensional		
Giro		13,787,483
Tabungan		61,488
Deposito berjangka		522,226
Syariah		
Giro		1
Tabungan		1,352
Deposito berjangka		344
<u>Mata uang asing</u>		
Konvensional		
Giro	43,363	609
Tabungan	64,763	908
Deposito berjangka dan deposito on call	51,341	721
Total pihak berelasi (Catatan 36)		<u>14,375,132</u>
Pihak ketiga		
<u>Rupiah</u>		
Konvensional		
Giro		7,246,110
Tabungan		22,176,332
Deposito berjangka dan deposito on call		22,738,253
Syariah		
Giro		89,744
Tabungan		587,327
Deposito berjangka dan deposito on call		1,147,668
<u>Mata uang asing</u>		
Giro	390,755	5,468
Tabungan	3,420,982	46,890
Deposito berjangka dan deposito on call	3,982,610	55,356
Total pihak ketiga		<u>54,093,148</u>
Total		<u>68,468,280</u>

Simpanan dari pihak berelasi tersebut merupakan simpanan dari Pemerintah Daerah dan manajemen kunci.

i) Tingkat suku bunga rata-rata per tahun giro terdiri dari:

	31 Desember/ December 31, 2020
Rupiah	1.00%
Mata uang asing	0.19%

b. Based on relationship and currencies

	31 Desember/ December 31, 2019	
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
Pihak berelasi		
<u>Rupiah</u>		
Konvensional		
Giro		13,987,575
Tabungan		55,437
Deposito berjangka		895,205
Syariah		
Giro		1
Tabungan		468
Deposito berjangka		378
<u>Mata uang asing</u>		
Konvensional		
Giro	43,400	603
Tabungan	54,946	764
Deposito berjangka dan deposito on call	34,983	486
Total pihak berelasi (Catatan 36)		<u>14,940,917</u>
Pihak ketiga		
<u>Rupiah</u>		
Konvensional		
Giro		9,721,569
Tabungan		21,587,493
Deposito berjangka dan deposito on call		12,562,322
Syariah		
Giro		104,442
Tabungan		553,847
Deposito berjangka dan deposito on call		986,372
<u>Mata uang asing</u>		
Giro	843,994	11,689
Tabungan	1,975,035	25,629
Deposito berjangka dan deposito on call	3,749,782	51,592
Total pihak ketiga		<u>45,604,955</u>
Total		<u>60,545,872</u>

These deposits from related parties represent deposits from Regional Governments and key management personnel.

i) The average interest rates per annum on current accounts consist of:

Rupiah
Foreign currencies

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Tingkat bunga rata-rata per tahun untuk giro dari adalah sama antara pihak berelasi dengan pihak ketiga.

The average interest rates per annum on current accounts with related parties are similar to those for third parties.

Pada tanggal 31 Desember 2020 dan 2019, tidak terdapat giro yang diblokir dan dijadikan jaminan kredit.

As of December 31, 2020 and 2019, there were no current accounts held under liens and used as security.

- ii) Tingkat suku bunga rata-rata per tahun tabungan terdiri dari:

- ii) The average interest rates per annum on savings consist of:*

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Tabungan			Savings
- Simpeda	1.49%	1.55%	Simpeda -
- Siklus	1.27%	1.96%	Siklus -
- Haji	1.00%	0.21%	Haji -
- Tabunganku	0.89%	0.83%	Tabunganku -

Tingkat bunga rata-rata per tahun tabungan untuk pihak berelasi adalah sama dengan pihak ketiga.

The average interest rates per annum on savings for related parties are similar to those for third parties.

Pada tanggal 31 Desember 2020 dan 2019, tidak terdapat tabungan yang diblokir dan dijadikan jaminan kredit.

As of December 31, 2020 and 2019, there were no savings held under liens and used as collateral.

- iii) Rincian deposito berjangka dan deposito on call:

- iii) Detail of time deposits and deposits on call:*

Klasifikasi deposito berdasarkan jangka waktu sebagai berikut:

The details of time deposits based on maturities are as follows:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Rupiah			Rupiah
- 1 bulan	18,235,645	10,948,524	1 month -
- 2 bulan	241,063	259,061	2 months -
- 3 bulan	3,689,841	2,948,845	3 months -
- 6 bulan	2,077,582	73,088	6 months -
- 12 bulan	102,827	161,912	12 months -
- 18 bulan	130	145	18 months -
- 24 bulan	3,449	3,142	24 months -
- Jatuh Tempo	429	70	Matured -
- Deposito on call	57,525	49,490	Deposits on call -
	<u>24,408,491</u>	<u>14,444,277</u>	
Mata uang asing			Foreign currencies
- 1 bulan	49,257	45,105	1 month -
- 3 bulan	3,573	3,983	3 months -
- 6 bulan	3,169	172	6 months -
- 12 bulan	78	2,818	12 months -
	<u>56,077</u>	<u>52,078</u>	
Total	<u>24,464,568</u>	<u>14,496,355</u>	Total

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Klasifikasi deposito berdasarkan sisa umur sampai dengan saat jatuh tempo:

The details of time deposits based on remaining period until maturity:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Rupiah			Rupiah
- Kurang dari atau sama dengan 1 bulan	18,235,645	12,256,537	Less than or until 1 month -
- Lebih dari 1 - 3 bulan	3,930,904	1,967,832	More than 1 - 3 months -
- Lebih dari 3 - 6 bulan	2,077,582	68,864	More than 3 - 6 months -
- Lebih dari 6 - 12 bulan	102,827	90,333	More than 6 - 12 months -
- Lebih dari 12 - 18 bulan	130	747	More than 12 - 18 months -
- Lebih dari 18 - 24 bulan	3,449	1,404	More than 18 - 24 months -
- Jatuh Tempo	429	70	Matured -
- Deposito <i>on call</i>	57,525	49,490	Deposits on call -
	<u>24,408,491</u>	<u>14,435,277</u>	
Mata uang asing			Foreign currencies
- Kurang dari atau sama dengan 1 bulan	49,257	46,665	Less than or until 1 month -
- Lebih dari 1 - 3 bulan	3,573	2,456	More than 1 - 3 months -
- Lebih dari 3 - 6 bulan	3,169	1,527	More than 3 - 6 months -
- Lebih dari 6 - 12 bulan	78	1,430	More than 6 - 12 months -
	<u>56,077</u>	<u>52,078</u>	
Total	<u>24,464,568</u>	<u>14,487,355</u>	Total

c. Tingkat bunga rata-rata deposito per tahun:

c. Average interest rates of deposits per annum:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Rupiah			Rupiah
- 1 bulan	4.38%	4.50%	1 month -
- 2 bulan	4.88%	4.83%	2 months -
- 3 bulan	5.13%	5.49%	3 months -
- 6 bulan	4.88%	5.05%	6 months -
- 12 bulan	4.88%	5.04%	12 months -
- 18 bulan	4.88%	5.00%	18 months -
- 24 bulan	4.63%	5.00%	24 months -
- Deposito <i>on call</i>	3.50%	3.76%	Deposits on call -
Mata uang asing:			Foreign currencies
- 1 dan 3 bulan	0.40%	0.48%	1 and 3 months -

Tingkat bunga rata-rata per tahun untuk deposito berjangka dari pihak berelasi adalah sama dengan pihak ketiga.

The average interest rates per annum on time deposits from related parties are similar to those for third parties.

Pada tanggal 31 Desember 2020 dan 2019, jumlah deposito berjangka yang diblokir dan dijadikan jaminan kredit, masing-masing sebesar Rp93.023 dan Rp75.228 (Catatan 11k).

As of December 31, 2020 and 2019, time deposits held under liens and used as security were Rp93,023 and Rp75,228, respectively (Note 11k).

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18. SIMPANAN DARI BANK LAIN**a. Berdasarkan segmen**

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Konvensional		
Tabungan		
- Siklus	156,163	153,641
- Simpeda	280,120	226,522
	<u>436,283</u>	<u>380,163</u>
Giro		
- Giro Bank Swasta	36,648	50,425
- Giro BPD-SI	2,680	3,497
- Giro Bank Pemerintah	448	53
- Giro BPR Jets	8,834	11,355
	<u>48,610</u>	<u>65,330</u>
Deposito berjangka		
- 1 bulan	337,721	161,682
- 2 bulan	700	-
- 3 bulan	129,120	15,310
- 6 bulan	60	60
- 12 bulan	2,500	500
	<u>470,101</u>	<u>177,552</u>
Interbank call money	1,510,000	2,170,000
Total konvensional	<u>2,464,994</u>	<u>2,793,045</u>
Syariah		
- Tabungan <i>mudharabah</i>	17,337	28,772
- Giro <i>wadiah</i>	7,623	18,733
- Deposito <i>mudharabah</i>	15,650	22,880
- SIMA	350,000	25,000
Total syariah	<u>390,610</u>	<u>95,385</u>
Total	<u>2,855,604</u>	<u>2,888,430</u>

b. Berdasarkan hubungan

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Pihak berelasi		
- Giro	1,597	1,095
- Tabungan	27,233	58,564
- Deposito berjangka	210,030	78,160
	<u>238,860</u>	<u>137,819</u>
Pihak ketiga		
- Giro	54,636	82,968
- Tabungan	426,387	350,371
- Deposito berjangka	275,721	122,272
- SIMA	350,000	25,000
- Interbank call money	1,510,000	2,170,000
	<u>2,616,744</u>	<u>2,750,611</u>
Total	<u>2,855,604</u>	<u>2,888,430</u>

Seluruh simpanan dari bank lain adalah dalam mata uang Rupiah.

c. Deposito berdasarkan sisa umur sampai dengan saat jatuh tempo**18. DEPOSITS FROM OTHER BANKS****a. Based on segment**

Conventional	
Savings	
- Siklus	
- Simpeda	
Current accounts	
Private bank current accounts	
BPD-SI current accounts	
Government bank current accounts	
BPR Jets current accounts	
Time deposits	
1 month	
2 months	
3 months	
6 months	
12 months	
Interbank call money	
Total conventional	
Sharia	
Mudharabah savings	
Wadiah current account	
Mudharabah time deposit	
SIMA	
Total sharia	
Total	

b. Based on relationship

Related parties	
Current accounts	
Savings	
Time deposits	
Third parties	
Current accounts	
Savings	
Time deposits	
SIMA	
Interbank call money	
Total	

All deposits from other banks are in Rupiah.

c. Deposits by remaining period to maturity

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	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Rupiah			Rupiah
- Kurang dari atau sama dengan 1 bulan	350,611	180,651	Less than or until 1 month -
- Lebih dari 1 - 3 bulan	132,520	19,160	More than 1 - 3 months -
- Lebih dari 3 - 6 bulan	60	60	More than 3 - 6 months -
- Lebih dari 6 - 12 bulan	2,500	500	More than 6 - 12 months -
- Jatuh Tempo	60	60	Matured -
	<u>485,751</u>	<u>200,431</u>	
- Interbank call money	1,510,000	2,170,000	Interbank call money -
Total	<u>1,995,751</u>	<u>2,370,431</u>	Total

d. Tingkat suku bunga rata-rata per tahun

f. Average interest rates per annum

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Konvensional			Konvensional
Giro	0.86%	0.72%	Current accounts
Tabungan	0.96%	1.91%	Savings
Deposito	4.21%	5.94%	Time deposits
Interbank call money	3.76%	3.03%	Interbank call money
Syariah			Syariah
Giro	0.36%	0.76%	Current accounts
Tabungan	0.89%	1.04%	Savings
Deposito	3.60%	4.32%	Time deposits
SIMA	4.21%	5.91%	SIMA

**19. LIABILITAS SURAT BERHARGA YANG DIJUAL
DENGAN JANJI DIBELI KEMBALI**

Pada tanggal 31 Desember 2020 dan 2019, Bank memiliki liabilitas surat berharga yang dijual dengan janji dibeli kembali sejumlah RpNihil dan Rp1.037.094 dengan rincian sebagai berikut:

**19. LIABILITIES OF MARKETABLE SECURITIES
SOLD UNDER REPURCHASE AGREEMENTS**

As of December 31, 2020 and 2019, Bank has a number of liability for repo securities RpNihil and Rp1,037,094 with details as follows:

31 Desember, December 31 2019						
Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Nilai beli kembali/ Buy back value	Beban bunga yang belum diamortisasi/ Unamortized interest expense	Nilai bersih/ Net value
Sertifikat Bank Indonesia						
IDBI 170120364S	425,000	10 Desember/ December 10, 2019	7 Januari/ January 7, 2020	423,651	376	423,275
IDBI 170120364S	117,400	11 Desember/ December 11, 2019	8 Januari/ January 8, 2020	117,049	121	116,928
IDBI 200320364S	204,600	13 Desember/ December 13, 2019	10 Januari/ January 10, 2020	201,721	265	201,456
IDBI 200320364S	300,000	17 Desember/ December 17, 2019	14 Januari/ January 14, 2020	295,997	562	295,435
Jumlah/ Total	<u>1,047,000</u>			<u>1,038,418</u>	<u>1,324</u>	<u>1,037,094</u>

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20. PINJAMAN YANG DITERIMA

	31 Desember/ December 31, 2020
Kementerian Pekerjaan Umum dan Perumahan Rakyat (PUPR) Republik Indonesia	354,136
Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)	209,314
PT Sarana Multigriya Financial	65,895
Pemerintah Provinsi Jawa Timur (pihak berelasi)	2,010
PT Bank DKI	-
Total	631,355

20. BORROWINGS

	31 Desember/ December 31, 2019	
	226,999	Ministry of Public Works and Housing of the Republic of Indonesia
	343,247	Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)
	-	PT Sarana Multigriya Financial
	-	Government of East Java Province (related party)
	1,300,000	PT Bank DKI
Total	1,870,246	Total

Seluruh pinjaman yang diterima adalah dari pihak ketiga dan dalam mata uang Rupiah.

All borrowings are from third parties and in Rupiah.

- 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 2020 sampai dengan tanggal 31 Desember 2020 dan telah diperpanjang.

Bank wajib menyampaikan rekening koran atas rekening Dana Kelolaan dan Rekening Operasional paling lambat tanggal 5 dan 16 setiap bulannya.

Pada tahun 2020 dan 2019, Bank telah menyalurkan kredit FLPP masing-masing sebesar Rp155.406 dan Rp121.358

- 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.

- 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 from January 1, 2020 to December 31, 2020 and have been amendmen.

The Bank are required to submit a checking account for The Managed Fund account and The Operational Account no later than the 5th and 16th of each month.

On 2020 and 2019, the Bank has disbursed FLPP to debtors amounting to Rp155,406 and Rp121,358, respectively.

- 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.

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Pola penyaluran pembiayaan yang diberikan adalah pola *executing* dengan jangka waktu 60 (enam puluh) bulan atau 5 (lima) tahun terhitung sejak pencairan.

The distributing patterns of financing provided is executing a pattern with a period of 60 (sixty) months or 5 (five) years from the disbursement.

Bank harus menyerahkan daftar piutang sehat milik Bank yang menjadi jaminan fidusia setiap 6 bulan minimal 100% dari *outstanding* pinjaman.

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.

- c. PT Sarana Multigriya Financial (Persero)
Dana Multigriya Financial merupakan fasilitas pembiayaan porsi 25% KPR FLPP yang diterima dari PT Sarana Multigriya Financial (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.

- c. PT Sarana Multigriya Financial (Persero)
Sarana Multigriya Financial Funds is 25% portion of financing facility which received from PT Sarana Multigriya Financial (Persero) to disbursing on housing procurement program through Pembiayaan Pemilikan Rumah (PPR) Sejahtera for low income society with 4.45% margin. Portion financing facility period start from April 1, 2020 to December 31, 2020.

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.

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. Pemerintah Provinsi Jawa Timur
Perjanjian kerjasama antara Pemerintah Provinsi Jawa Timur dengan Bank Jatim diantaranya adalah:
1. Perjanjian Kerjasama dengan Dinas Peternakan Provinsi Jawa Timur No. 900/8176/122.5/2020 dan No. 059/161/SP/DIR/KMRP tentang Pengelolaan Dana Bergulir Provinsi Jawa Timur bagi Mitra Pokmas Anti Poverty Program (APP) tanggal 21 September 2020 dengan jangka waktu perjanjian selama tiga tahun.
 2. Perjanjian Kerjasama dengan Dinas Kelautan dan Perikanan Provinsi Jawa Timur No. 523/14609/120.2/2020 dan No. 059/155.1/SP/DIR/KRD.AGR.RTL tentang Pengelolaan Dana Bergulir Provinsi Jawa Timur bagi Mitra Pokmas Anti-Poverty Program (APP) Bidang Perikanan Budidaya tanggal 04 September 2020 dengan jangka waktu perjanjian selama tiga tahun
 3. Perjanjian Kerjasama dengan Dinas Perindustrian dan Perdagangan Provinsi Jawa Timur No. 530/4310/125.3/2020 dan No. 059/190.1/SP/DIR/KMRP tentang Pengelolaan Dana Bergulir Provinsi Jawa

- d. Government of East Java Province
An Agreements between the East Java Provincial Government and Bank Jatim include the details are as follow:
1. Cooperation Agreement with the Livestock Service (dinas peternakan) of East Java Province No. 900/8176/122.5/2020 and No. 059/161/SP/DIR/KMRP concerning on Management of Revolving Funds in East Java Province for Community Group of Anti-Poverty Program (APP) on 21 September 2020 with the term of agreement in three years.
 2. Cooperation Agreement with the Office of Marine Affairs and Fisheries of East Java Province No. 523/14609/120.2/2020 and No. 059/155.1/SP/DIR/KRD.AGR.RTL concerning on Management of Revolving Fund in East Java Province for Community Group of Anti-Poverty Program (APP) Partners in Aquaculture sector on September 4, 2020 with an agreement period in three years
 3. Cooperation Agreement with the Department of Industry and Trade of East Java Province No. 530/4310/125.3/2020 and No. 059/190.1/SP/DIR/KMRP concerning on Management of Revolving

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Timur bagi Industri Mikro, Kecil, Menengah tanggal 19 Oktober 2020 dengan jangka waktu perjanjian selama lima tahun

4. Perjanjian Kerjasama dengan Dinas Pertanian dan Ketahanan Pangan Provinsi Jawa Timur No. 932/8216/110.2/2020 dan No. 059/224/SP/DIR/KMRP tentang Pengelolaan Dana Bergulir Provinsi Jawa Timur bagi Industri Mikro, Kecil, Menengah dan Koperasi (UMKMK), Serta Petani, Kelompok Tani dan Gabungan Kelompok Tani dalam Program Hulu Hilir Agro Maritim/Tanam Petik Olah Kemas dan Jual tanggal 30 Desember 2020 dengan jangka waktu pinjaman untuk kredit modal kerja disesuaikan dengan siklus usaha maksimal tiga tahun, kredit investasi maksimal lima tahun dapat diberikan grace period angsuran pokok maksimal selama tiga bulan.

e. PT Bank DKI

Sesuai Perjanjian Kredit No.802/TERMLOAN/GTR/X/2019 tanggal 29 Oktober 2019, Bank memperoleh fasilitas *Term Loan* dengan plafon maksimum Rp1.300.000 dengan tujuan untuk mendukung pengelolaan likuiditas. Sifat fasilitas kredit dalam adalah *Non-Revolving, Committed* dan *Clean Basis*. Bank tidak dapat melakukan penarikan kembali atas jumlah utang pokok yang telah dibayarkan.

Kredit diberikan selama jangka waktu 3 (tiga) bulan, terhitung sejak tanggal Bank melakukan penarikan kredit. Atas setiap pinjaman uang yang terutang, berdasarkan perjanjian kredit wajib membayar bunga sebesar JIBOR average 3 bulan (5,82% per tanggal 10 Oktober 2019) ditambah margin 1,58% per tahun yang dihitung dari jumlah fasilitas kredit.

Pada tanggal 30 Januari 2020 Bank telah melakukan pelunasan atas pinjaman ini.

21. PERPAJAKAN

a. Utang pajak:

	31 Desember / December 31, 2020
Pajak penghasilan pasal 21	20,274
Pajak penghasilan pasal 29 (Catatan 21e)	57,631
Pajak penghasilan pasal 23/4 (2)	14,928
Lain-lain	302
Total	93,135

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Funds in East Java Province for Micro, Small, and Medium Industries on 19 October 2020 with an agreement period of five years

4. Cooperation Agreement with the Department of Agriculture and Food Security of East Java Province No. 932/8216/110.2/2020 and No. 059/224/SP/DIR/KMRP concerning on Management of Revolving Funds in East Java Province for Micro, Small, Medium Enterprises and Cooperatives (UMKMK), as well as Farmers, Farmer Groups and Farmer Group Associations in the Upstream Downstream Argo Maritime Program / Planting Picking Process and Selling on December 30, 2020, with a loan term for working capital loans adjusted to a maximum business cycle of three years, maximum agreement period for investment credit be held in five years, with a maximum principal installment grace period of three months.

e. PT Bank DKI

According to Credit Agreement No.802/TERMLOAN/GTR/X/2019 dated October 29, 2019, the Bank obtained a Term Loan facility with a maximum limit of Rp1,300,000 with the purpose to support liquidity. The nature of credit facilities is Non-Revolving, Committed and Clean Base. The bank cannot re-withdraw of paid principal liability.

Credit is given for a 3 (three) month period, starting from the date the Bank makes a withdrawal. For each withdrawal, based on credit agreement, obligate to pay an interest rate of 3 months JIBOR average (5.82% per October 10, 2019) plus a margin of 1.58% per year that calculated from the total credit facilities.

The Bank has settled this facility on January 30, 2020.

21. TAXATION

a. Taxes payable:

	31 Desember / December 31, 2019	
	30,643	Employees' income tax - article 21
	14,461	Corporate income tax - article 29 (Note 21e)
	13,343	Withholding income tax articles 23/4 (2)
	5,319	Others
	63,766	Total

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b. Beban pajak penghasilan badan:

	31 Desember / December 31, 2020
Pajak kini	421,943
Koreksi beban pajak	
Pajak kini tahun 2016	(81,648)
Pajak kini tahun 2017	(126,532)
Pajak kini tahun 2018	(75,271)
	138,492
Pajak tangguhan	(94,529)
Koreksi pajak tangguhan	
Pajak tangguhan 2016	(19,878)
Pajak tangguhan 2017	(2,144)
Pajak tangguhan 2018	(26,217)
Dampak perubahan tarif	22,681
	(120,087)
Beban pajak	18,405

b. Corporate income tax expense:

	31 Desember / December 31, 2019	
	488,326	Current tax
		Correction of Tax Expense
	-	Current tax year 2016
	-	Current tax year 2017
	-	Current tax year 2018
	488,326	
	(698)	Deferred Tax
		Deferred Tax Correction
	-	Deferred Tax year 2016
	-	Deferred Tax year 2017
	-	Deferred Tax year 2018
	-	The effect of rate changes
	(698)	
	487,628	Income tax expense

c. Rekonsiliasi antara laba sebelum beban pajak yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain dengan taksiran laba kena pajak adalah sebagai berikut:

c. 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:

	31 Desember / December 31, 2020	31 Desember / December 31, 2019	
Laba sebelum beban pajak	1,507,367	1,864,133	Income before tax expense
Perbedaan tetap:			Permanent differences:
Pajak	68,402	73,605	Taxes
Tanggung jawab sosial dan lingkungan, sumbangan, promosi, rapat dan jamuan tamu dan lainnya	87,040	12,391	Social and environment responsibility, donation, promotion, meetings and entertainment and others
Penyisihan kerugian penurunan nilai	7,740	8,861	Provision for impairment losses
Lain-lain	52,684	26,220	Others
	215,866	121,077	
Perbedaan temporer:			Temporary differences:
Penyisihan kerugian penurunan nilai	403,364	423,201	Provision for impairment losses
Cadangan jasa produksi	372,823	344,126	Provision for employee bonuses
Cadangan imbalan kerja	25,061	13,748	Provision for employee benefit
Cadangan lainnya	35,254	-	Others provision
Penerimaan hapusbuku	-	(9,547)	Write off credit income
Sewa	5,142	-	Lease
Pembayaran jasa produksi	(344,126)	(315,110)	Payment for employee bonuses
	497,518	456,418	
Total	713,384	577,495	Total
Taksiran laba kena pajak	2,220,751	2,441,628	Estimated taxable income

Bank akan menyampaikan Surat Pemberitahuan Tahunan untuk tahun 2019 sesuai prinsip *self assessment* berdasarkan perhitungan tersebut diatas.

The Bank will file its Annual Corporate income Tax Return for 2019 according to the *self assessment principle* in accordance with the above calculation.

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d. Perhitungan beban pajak adalah sebagai berikut:

	31 Desember / December 31, 2020	31 Desember / December 31, 2019
Pajak kini		
(Pajak dengan tarif efektif atas taksiran laba kena pajak tahun berjalan)	421,943	488,326
Koreksi beban pajak		
Pajak kini tahun 2016	(81,648)	-
Pajak kini tahun 2017	(126,532)	-
Pajak kini tahun 2018	(75,271)	-
	<u>138,492</u>	<u>488,326</u>
Beban (manfaat) pajak penghasilan tangguhan atas pengaruh beda temporer temporer pada tarif pajak maksimum:		
Penyisihan kerugian penurunan nilai	(76,639)	(84,640)
Cadangan jasa produksi	(70,837)	(68,825)
Cadangan imbalan kerja	(4,762)	(2,750)
Cadangan lainnya	(7,675)	-
Penerimaan hapusbuku	-	1,909
Pembayaran jasa produksi	65,384	63,022
Manfaat pajak tangguhan	<u>(94,529)</u>	<u>(91,284)</u>
Laba sebelum beban pajak	1,507,367	1,864,133
Taksiran pajak penghasilan dengan tarif pajak yang berlaku	286,400	372,827
Pengaruh pajak atas beda tetap	41,014	24,215
Pajak penghasilan tahun berjalan	327,414	397,042
Pajak kini tahun 2016	(81,648)	-
Pajak kini tahun 2017	(126,532)	-
Pajak kini tahun 2018	(75,271)	-
Pajak tangguhan 2016	(19,878)	-
Pajak tangguhan 2017	(2,144)	-
Pajak tangguhan 2018	(26,217)	-
Dampak perubahan tarif	22,681	90,586
Beban pajak, neto	18,405	487,628

e. Perhitungan utang pajak penghasilan badan adalah sebagai berikut:

	31 Desember / December 31, 2020	31 Desember / December 31, 2019
Beban pajak tahun berjalan	421,943	488,326
Dikurangi: Pajak penghasilan badan dibayar dimuka - pajak penghasilan - pasal 25	<u>364,312</u>	<u>473,865</u>
Kurang bayar pajak penghasilan badan (Catatan 21a)	(57,631)	(14,461)

d. The computation of tax expense is as follows:

Current tax
(At the effective tax rate on estimated taxable income for the current year)
Correction of tax expense
Current tax year 2016
Current tax year 2017
Current tax year 2018
Deferred tax expense (benefit) of temporary differences at the maximum tax rate:
Provision for impairment losses
Provision for employee bonuses
Provision for employee benefit
Others provision
Write off credit income
Payment for employee bonuses
Deferred tax benefit
Income before tax expense
Estimated income tax at applicable tax rate
Tax effect on permanent differences
Corporate income tax current year
Current tax year 2016
Current tax year 2017
Current tax year 2018
Deferred Tax year 2016
Deferred Tax year 2017
Deferred Tax year 2018
The effect of rate changes
Tax expense, net

e. The analysis of corporate income tax payable is as follows:

Current year tax expense
Less: Prepaid corporate income tax - article 25
Under payment of corporate income tax (Note 21a)

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f. Aset pajak tangguhan:

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Cadangan jasa produksi	68,825	-	5,453	(3,441)	-	70,837	Provision for employee bonuses
Penyisihan kerugian aset produktif	369,166	-	76,639	(18,458)	48,239	475,586	Provision for losses on earning assets
Laba yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain	-	-	-	-	-	-	Unrealized gain on financial assets measured at fair value through other comprehensive income
Cadangan lainnya	(5)	(29,493)	-	-	-	(29,498)	Others provision
Sewa	-	-	6,698	-	-	6,698	Lease
Cadangan imbalan kerja	-	-	977	-	-	977	Provision for employee benefit
Cadangan imbalan kerja	84,652	(21,556)	4,762	(782)	-	67,076	
Aset pajak tangguhan	522,638	(51,049)	94,529	(22,681)	48,239	591,676	Deferred tax assets

f. Deferred tax assets:

	31 Desember/ December 31, 2018	Dikreditkan ke penghasilan komprehensif lain/ Credited to other comprehensive income	Dikreditkan ke laporan laba rugi/ Credited to statement of profit or loss	Dampak perubahan tarif/ The effect of rate changes	31 Desember / December 31, 2019	
Cadangan jasa produksi	78,777	-	5,803	(15,755)	68,825	Provision for employee bonuses
Penyisihan kerugian aset produktif	358,043	-	82,731	(71,608)	369,166	Provision for losses on earning assets
Laba yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain	-	(5)	-	-	(5)	Unrealized gain on financial assets measured at fair value through other comprehensive income
Cadangan imbalan kerja	30,968	57,128	2,750	(6,194)	84,652	Provision for employee benefit
Aset pajak tangguhan	467,788	57,123	91,284	(93,557)	522,638	Deferred tax assets

g. 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".

g. 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".

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

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

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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 sdalam 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).

Manajemen berkeyakinan bahwa Bank telah memenuhi semua persyaratan untuk memperoleh fasilitas penurunan tarif pajak penghasilan.

Berdasarkan surat keterangan No.DE/1/2020-01511 tanggal 6 Januari 2020 tentang laporan bulanan kepemilikan saham berupa Formulir No.X.H.I-2 dari Biro Administrasi Efek, Datindo Entrycom atas kepemilikan saham Bank selama tahun 2019, semua kriteria di atas untuk memperoleh fasilitas penurunan tarif pajak tersebut atas laporan keuangan Bank untuk tahun yang berakhir pada tanggal 31 Desember 2019 telah terpenuhi.

Sehubungan dengan hal tersebut, pajak penghasilan badan Bank untuk tahun yang berakhir pada tanggal 31 Desember 2019 telah dihitung dengan menggunakan tarif pajak 20%.

Dengan adanya keputusan perubahan tarif tersebut, Bank menyampaikan pembetulan SPT ke-1 SPT PPh Badan tahun pajak 2016, 2017 dan 2018 kepada Kantor Pelayanan Pajak (KPP). Dalam pembetulan SPT tersebut, Bank menyatakan lebih bayar sebesar Rp175.989 (2016); Rp211.051 (2017); dan Rp126.299 (2018). Atas lebih bayar tersebut, Bank melakukan permohonan restitusi ke Kantor Pelayanan Pajak (KPP) terdaftar.

Berlandaskan pasal 29 Undang-undang nomor 6 Tahun 1983 tentang Ketentuan Umum dan Tata Cara Perpajakan sebagaimana telah beberapa kali diubah terakhir dengan Undang-undang nomor 16 Tahun 2009 jo Peraturan Menteri Keuangan Nomor 17/PMK.03/2013 tentang Tata

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.

Management believes that the Bank has fulfill all the requirements to obtain the reduction on income tax rate facility.

Based on Letter No. DE/1/2020-01511 dated January 6, 2020 regarding the monthly report of shares ownerships, form No.X.H.I-2 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of Bank's shares during 2019, all of the above mentioned required criteria to obtain the tax rate reduction on Bank's financial statements for the year ended December 31, 2019 were fulfilled by Bank.

In relation with the matter above, the Bank's corporate income tax for the year ended December 31, 2019 are calculated using the tax rate of 20%.

Based on the above decision letter regarding incentive income tax rate, Bank submitted first revision of Annual Corporate Income Tax Return for fiscal year 2016, 2017 and 2018 to tax authority. The revision stated that the Bank has overpayment amounting to Rp175,989 (2016); Rp211,051 (2017); dan Rp126,299 (2018). Due to the overpayment, the Bank is undertaking the process of filling a restitution request.

Based on subsection 29 of Law number 6 in 1983 concerning on General Provisions and Tax Procedures as amended several times, most recently by Law number 16 of 2009 in conjunction with Regulation of the Minister of Finance Number 17 / PMK.03 / 2013 concerning

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Cara Pemeriksaan sebagaimana telah diubah dengan Peraturan Menteri Keuangan nomor 184/PMK.03/2015 melalui Surat Perintah Pemeriksaan tanggal 30 Desember 2019 nomor PRIN-00408/WPJ.07/KP.0805/RIK.SIS/2019, Surat Pemberitahuan Pemeriksaan Lapangan nomor PRIN-00049/WPJ.07/KP.0805/RIK.SIS/2020 Surat nomor 455/WPJ.07/KP.08/2020 tanggal 9 Maret 2020 tentang Panggilan Dalam Rangka Pertemuan Sehubungan dengan Pemeriksaan Lapangan oleh Kantor Pelayanan Pajak (KPP) atas permohonan restitusi lebih bayar di atas dan dengan hasil pemeriksaan melalui Risalah Pembahasan nomor SP2 : PRIN-00049/WPJ.07/KP.0805/RIK.SIS/202 atas hasil pemeriksaan tersebut, Bank dinyatakan lebih bayar sebesar Rp 74.296 (2016); Rp121.043 (2017); dan Rp66.068 (2018) dan kurang bayar sebesar Rp7.351 (2016); Rp5.487 (2017); dan Rp9.203 (2018) serta melalui surat Kantor Pelayanan Pajak (KPP) nomor S-REK-326/WPJ.07/KP.0806/2020 tanggal 3 Desember 2020 perihal Permintaan Rekening Dalam Negeri maka selanjutnya Kantor Pelayanan Pajak (KPP) melakukan pencairan pengembalian kelebihan pembayaran pajak pada tanggal 20 Januari 2021 atas PPh Badan Tahun Pajak 2016, 2017 dan 2018.

Pada 31 Maret 2020, pemerintah mengeluarkan Peraturan Pemerintah Pengganti Undang-Undang (PERPU) 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 yang bertujuan mempertahankan badan usaha dalam pandemi COVID-19 dan menyediakan kemampuan pengembangan usaha memberikan fasilitas penurunan tarif PPh Badan secara umum sebagaimana disampaikan pada pasal 5 PP 30 Tahun 2020 menjadi 22% (masa berlaku tahun 2020 & 2021) dan menjadi 20% (masa berlaku tahun 2022) serta sebagai insentif bagi wajib pajak dengan status go public dan menjual 40% sahamnya di lantai bursa memperoleh penurunan tarif pajak penghasilan sebesar 3% (tiga persen), yang kemudian diatur oleh Peraturan Pemerintah (PP) No.30 Tahun 2020 tanggal 30 Juni 2020 yang mencabut dan menyatakan Peraturan Pemerintah (PP) No.56 Tahun 2015 tanggal 3 Agustus 2015 tidak berlaku, yang mengatur bahwa Wajib Pajak (WP) dalam negeri yang berbentuk perseroan terbuka dapat memperoleh penurunan tarif pajak penghasilan sebesar 3% (tiga persen) lebih rendah dari tarif pajak penghasilan wajib pajak badan dalam negeri bila memenuhi persyaratan

in Audit Procedures as amended with Regulation of the Minister of Finance number 184 / PMK.03 / 2015 through an Audit Warrant dated 30 December 2019 number PRIN-00408 / WPJ.07 / KP.0805 / RIK.SIS / 2019, Field Inspection Notification Letter number PRIN-00049 / WPJ. 07 / KP.0805 / RIK.SIS / 2020 Letter number 455 / WPJ.07 / KP.08 / 2020 dated 9 March 2020 concerning Summons for Meetings in connection with a verification by the Tax Service Office (KPP) on the request for overpayment restitution above and with the results of the examination through the Discussion number SP2 : PRIN-00049 / WPJ.07 / KP.0805 / RIK.SIS / 202 on the results of the examination, the Bank was declared an overpayment of Rp.74,296 (2016); Rp121,043 (2017); and Rp.66,068 (2018) and underpayments of Rp7,351 (2016); Rp5,487 (2017); and Rp9,203 (2018) and in accordance with the Tax Service Office (KPP) letter number S-REK- 326 / WPJ.07 / KP.0806 / 2020 dated December 3, 2020 regarding Domestic Account Requests, then the Tax Service Office (KPP) will carry out disbursement of tax overpayment returns on January 20 for Corporate Income Tax in 2016, 2017 and 2018.

On March 31, 2020, the government issued Government Regulation in Lieu of Law (PERPU) No. 1 of 2020 concerning State Financial Policies and Financial System Stability for Handling Pandemic Corona Virus Disease 2019 (COVID-19) and / or in the Context of Facing Threats that Endanger the Economy National and / or Financial System Stability which aims to maintain business entities in the COVID-19 pandemic and provide business development capabilities to provide a reduction in Corporate Income Tax rates in general as stated in article 5 PP 30 of 2020 to 22% (validity period 2020 & 2021) and become 20% (validity period in 2022) as well as an incentive for taxpayers to go public and sell 40% of their shares on the stock exchange, a reduction in income tax rate of 3% (three percent), which is then regulated by Government Regulation (PP) No. 30 of 2020 dated June 30, 2020 which revokes and declares Government Regulation (PP) No.56 of 2015 dated August 3, 2015 does not apply, which stipulates that domestic taxpayers (WP) in the form of publicly-listed companies can obtain a reduction in income tax rates by 3% (three percent) lower than the domestic corporate taxpayer income tax rates if they meet the requirements as follows: (a) at least 40% (forty percent) of the total number of shares deposited is recorded for trading on the Indonesia Stock Exchange, (b) the shares must be owned by at least 300 parties, (c) each of

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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 diatur dengan Peraturan Menteri Keuangan (PMK) Nomor 123/PMK.03/2020 Tentang Bentuk dan Tata Cara Penyampaian Laporan Serta Daftar Wajib Pajak Dalam Rangka Pemenuhan Persyaratan Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri Yang Berbentuk Perseroan Terbuka.

Berdasarkan surat keterangan No DE//2021-0545 tanggal 21 Januari 2021 tentang laporan bulanan kepemilikan saham berupa Formulir No.X.H.I-2 dari Biro Administrasi Efek, Datindo Entrycom atas kepemilikan saham Bank selama tahun 2020, semua kriteria di atas untuk memperoleh fasilitas penurunan tarif pajak tersebut atas laporan keuangan Bank untuk tahun yang berakhir pada tanggal 31 Desember 2020 telah terpenuhi.

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 2020 telah dihitung menggunakan tarif pajak 19%.

these parties may only have shares of less than 5% (five percent) of the total issued and fully paid shares, and (d) the provisions referred to above must be fulfilled within 183 (one hundred eighty three) calendar days within a period of 1 (one) fiscal year. Provisions regarding the procedures for implementing and monitoring the granting of the reduction in income tax rates above are regulated by a Regulation of the Minister of Finance (PMK) Number 123/PMK.03/2020 concerning Forms and Procedures for Submitting Reports and List of Taxpayers in the Context of Fulfilling the Requirements for a Reduction in Income Tax Rates for Domestic Taxpayers in the Form of Public Companies.

Based on Letter No DE//2021-0545 dated January 21, 2021 the monthly report of shares ownerships, form No. X.H.I-2 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of Bank's shares during 2020, all of the above mentioned required criteria to obtain the tax rate reduction on Bank's financial statements for the year ended December 31, 2020 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, 2020 has been calculated using a tax rate of 19%.

22. BEBAN YANG MASIH HARUS DIBAYAR

	31 Desember/ December 31, 2020
Cadangan jasa produksi	372,823
Bunga	111,843
Total	484,666

22. ACCRUED EXPENSES

	31 Desember/ December 31, 2019	
	344,126	Employee bonuses
	89,381	Interest
	433,507	Total

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23. LIABILITAS LAIN-LAIN

	31 Desember/ December 31, 2020	
Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
Rupiah		
Cadangan imbalan kerja	353,033	
Setoran jaminan	62,029	
Pokok kredit penerusan yang diterima	9,903	
Bunga kredit penerusan yang diterima	3,427	
Estimasi kerugian komitmen dan kontinjensi	4,280	
Provisi dan administrasi kredit	6,565	
Liabilitas sewa	113,642	
Lainnya	43,732	
	<u>596,611</u>	
Mata uang asing		
Setoran jaminan		
Dolar Amerika Serikat	-	-
Lainnya		
Dolar Amerika Serikat	-	-
Dolar Hongkong	10,486	19
Dolar Singapore	-	-
	<u>19</u>	<u>2,611</u>
Total	<u>596,630</u>	<u>538,275</u>

Estimasi kerugian komitmen dan kontinjensi adalah sebagai berikut:

	31 Desember/ December 31, 2020	
Saldo awal tahun	4,611	
Penyisihan (pemulihan) tahun berjalan	(331)	
Saldo akhir tahun	<u>4,280</u>	

23. OTHER LIABILITIES

	31 Desember/ December 31, 2019	
Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
		Rupiah
	423,263	Provision of employee benefit
	90,872	Security deposits
	10,025	Principal - channeling loans received
	3,257	Interest - channeling loans received
	4,611	Estimated losses on commitments and contingencies
	2,698	Provision and credit administration
	938	Lease liabilities
	<u>535,664</u>	<u>Others</u>
		Foreign currencies
	125,909	Security deposits
	1,748	United States Dollar
	46,820	Other
	650	United States Dollar
	-	Hongkong Dollar
	20,650	Singapore Dollar
	<u>213</u>	<u>2,611</u>
	<u>538,275</u>	<u>Total</u>

Estimated losses on commitments and contingencies are as follows:

	31 Desember/ December 31, 2019	
Saldo awal tahun	478	Balance at beginning of year
Penyisihan (pemulihan) tahun berjalan	4,133	Provision (recovery) during the year
Saldo akhir tahun	<u>4,611</u>	<u>Balance at end of year</u>

24. MODAL SAHAM

Pemegang saham Bank, jumlah saham yang ditempatkan dan disetor, dan saldo yang terkait pada tanggal 31 Desember 2020 dan 2019, adalah sebagai berikut:

- a. Modal dasar
Modal dasar Bank pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

	Jumlah saham/ Number of shares
Saham Seri A	24,000,000,000
Saham Seri B	12,000,000,000
Jumlah	<u>36,000,000,000</u>

24. SHARE CAPITAL

The Bank's shareholders, the number of authorized, issued and paid-up shares and the related balances as of December 31, 2020 and 2019 were as follows:

- a. Authorized capital
The Bank's authorized capital as of December 31, 2020 and 2019 were as follows:

	Rupiah/ Rupiah	
Saham Seri A	6,000,000	Series A Shares
Saham Seri B	3,000,000	Series B Shares
Jumlah	<u>9,000,000</u>	<u>Total</u>

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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.
- 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 2020 dan 2019 sebagai berikut (dalam angka penuh):

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.
- 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, 2020 and 2019, are as follows (in full amount):

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Pemecahan nilai nominal dari Rp1.000.000 per saham menjadi				Stock split from Rp1,000,000 per share to be	
Rp250 per saham		6,694,148,000		Rp250 per saham	
Konversi cadangan umum		5,239,999,982		General reserve conversion	
Jumlah saham pada akhir tahun		11,934,147,982		Shares at year end	
c. Jumlah saham seri B yang ditempatkan dan disetor penuh pada tanggal 31 Desember 2020 dan 2019 adalah 3.081.350.100 dan 3.068.222.600 lembar saham (dalam angka penuh).		c. Total issued and fully paid-up capital of series B shares as of December 31, 2020 and 2019 are 3,081,350,100 and 3,068,222,600 shares (in full amount).			
d. Susunan pemegang saham		d. Composition of shareholders			
		31 Desember/ December 31, 2020			
Pemegang saham	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	Shareholders	
Seri A				Series A	
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	
	11,934,147,982	79.48%	2,983,537		
Seri B				Series B	
Komisaris:				Commissioner:	
- Akhmad Sukardi	833,600	0.01%	208	Akhmad Sukardi -	
Direksi:				Directors:	
- Busrul Iman	982,200	0.01%	246	Busrul Iman -	
- Tonny Prasetyo	90,400	0.00%	23	Tonny Prasetyo -	
- Erdianto Sigit Cahyono	99,600	0.00%	25	Erdianto Sigit Cahyono -	
- Ferdian Timur Satyagraha	717,633	0.00%	179	Ferdian Timur Satyagraha -	
- Rizyana Mirda	3,443,733	0.02%	861	Rizyana Mirda -	
Masyarakat (kepemilikan masing-masing dibawah 5%)	3,075,182,934	20.48%	768,796	Public (ownership less than 5% each)	
	3,081,350,100	20.52%	770,338		
Jumlah	15,015,498,082	100.00%	3,753,875	Total	

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Pemegang saham	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	Shareholders
Seri A				Series A
Pemerintah Provinsi Jawa Timur	7,676,913,648	51.17%	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	0.68%	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%	79,811	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
	11,934,147,982	79.55%	2,983,537	
Seri B				Series B
Komisaris:				Commissioner:
- Akhmad Sukardi	833,600	0.01%	208	Akhmad Sukardi -
Direksi:				Directors:
- Ferdian Timur Satyagraha	4,744,933	0.03%	1,186	Ferdian Timur Satyagraha -
- Rizyana Mirda	1,094,133	0.01%	274	Rizyana Mirda -
- Hadi Santoso				Hadi Santoso -
Masyarakat (kepemilikan masing-masing dibawah 5%)	3,061,549,934	20.41%	765,387	Public (ownership less than 5% each)
	3,068,222,600	20.45%	767,056	
Jumlah	15,002,370,582	100.00%	3,750,593	Total

e. Pembagian saldo laba

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan, sebagaimana tercantum dalam akta No. 67 tanggal 24 April 2020 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, S.H. dan akta No. 99 tanggal 26 April 2019 yang dibuat oleh Notaris

e. Distribution of retained earnings

Based on decisions at Annual General Meetings Report as documented in notarial deeds No.67 dated April 24, 2020 of Sitaesmi Puspawati Subianto, S.H. And No.99 dated April 26, 2019 of Sitaesmi Puspawati Subianto, S.H. the shareholders agreed to

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Sitairesmi Puspawati Subianto, S.H. para Pemegang Saham menyetujui pembagian laba neto untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018 sejumlah dan dengan penggunaan sebagai berikut:

distribute net income for the year ended December 31, 2019 and 2018 as follows:

	Laba tahun/ Net income year 2019
Dividen tunai	723,747
Cadangan umum	652,758
Bank membentuk cadangan umum untuk memperkuat modal.	

	Laba tahun/ Net income year 2018	
	683,865	Cash dividends
	576,443	General reserve
Bank established the general reserve to strengthen capital.		

25. TAMBAHAN MODAL DISETOR - NETO

Rincian tambahan modal disetor tanggal 31 Desember 2020 dan 2019, adalah sebagai berikut:

	31 Desember/ December 31, 2020
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
Total	532,734

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	(27,669)
Agio saham dari IPO	509,368

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 Tereksekusi 31.774.500 lembar	6.36
Agio saham Program MESOP Tahap II Rp159 (Rupiah penuh) per saham Tereksekusi 31.774.500 lembar	5.05
Agio saham Program MESOP Tahap III Rp349 (Rupiah penuh) per saham Tereksekusi 34.264.100 lembar	11.96
Agio saham dari Program MESOP	23.37

25. OTHER PAID-IN CAPITAL - NET

Details of other paid in capital as of December 31, 2020 and 2019 as follows:

	31 Desember/ December 31, 2019	
	509,368	Share premium from Initial Public Offering (IPO)
	19,385	Stock option for Management and Employee Stock Option Plan (MESOP) program
Total	528,753	Total

On July 12, 2012, the Bank has made its 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 saham	
Share issuance cost	
Share premium from IPO	

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	
Share Agio MESOP Program	

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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 Rp 12.995.770.500 (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 Rp 20.524.195.900 (Rupiah penuh).

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 Rp 20.524.195.900 (full Rupiah).

26. 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

26. 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"

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Angkutan Umum Bus Perkotaan" (KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) dan "Kredit Usaha Tani" (KUT).

(KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) and "Kredit Usaha Tani" (KUT).

- b. Pemerintah Propinsi Jawa Timur
Berdasarkan amendemen 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 Propinsi Jawa Timur untuk menyalurkan dana bergulir sebagai tambahan modal kerja bagi usaha kecil, menengah dan koperasi dengan tujuan untuk mensukseskan Program Pemerintah Propinsi 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.
 - Program Penyediaan Modal dan Padanan (MAP) Awal bagi usaha kecil, menengah dan koperasi melalui KSP/USP koperasi dengan tujuan megembangkan 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.

- 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.
 - 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.

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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 agrobisnis 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).

f. Dinas Koperasi dan Pengusaha Kecil dan Menengah Propinsi Jawa Timur

Bank mengadakan perjanjian kerjasama untuk jangka waktu 5 tahun dengan Dinas Koperasi Pengusaha Kecil dan Menengah Propinsi Jawa Timur untuk menyalurkan dana bergulir yang bersumber dari Anggaran Pendapatan Belanja Daerah (APBD) Propinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Propinsi Jawa Timur yang meliputi penyaluran kredit dan penggunaan dana, pembinaan, pemantauan dan pengawasan, pengembalian serta pemanfaatan dana bergulir oleh koperasi. Berdasarkan amendemen 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.

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).

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.

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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.

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. Departemen Kehutanan dan Perkebunan Republik Indonesia

- g. *Forestry and Plantation Department of the Republic of 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.

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. Yayasan Abadi Karya Bhakti

- h. *Abadi Karya Bhakti Foundation*

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.

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.

- i. Dinas Peternakan Propinsi Jawa Timur

- i. *Livestock Division of East Java Province (Dinas Peternakan Propinsi 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 Propinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Propinsi 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 Propinsi Jawa Timur sub sektor peternakan.

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 (dana bergulir) by Village Union (Koperasi Unit Desa) - KUD for Milk Union (Koperasi Persusuan) 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 (dana bergulir) from the Regional Income and Expenditures Budget (APBD) of the East Java Province Livestock Sector Division.

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Rincian saldo kredit kelolaan berdasarkan penyedia dana adalah sebagai berikut:

	31 Desember/ December 31, 2020
Bank Indonesia	402,672
Pemerintah Propinsi Jawa Timur	103,006
Kementrian Koperasi dan Usaha Kecil dan Menengah	55,931
Departemen Keuangan Republik Indonesia	60,174
Yayasan Dana Sejahtera Mandiri	15,942
Departemen Kehutanan dan Perkebunan Republik Indonesia	15,326
Dinas Koperasi dan Pengusaha Kecil dan Menengah	14,622
Yayasan Abadi Karya Bhakti	6,038
Dinas Peternakan Propinsi Jawa Timur	1,876
Jumlah	675,587

Rincian saldo kredit kelolaan berdasarkan sektor ekonomi adalah sebagai berikut:

	31 Desember/ December 31, 2020
Jasa kemasyarakatan dan sosial budaya	475,831
Jasa kesehatan dan kegiatan sosial	60,174
Pertanian, perburuan dan kehutanan	52,782
Perdagangan besar dan eceran	44,715
Perikanan	8,711
Penyedia akomodasi, makanan dan minuman	9,504
Industri pengolahan	10,436
Kegiatan yang belum jelas batasannya	6,353
Perantara keuangan	5,926
Transportasi, perdagangan dan komunikasi	439
Jasa perorangan melayani rumah tangga	605
Konstruksi	52
Real estate, usaha persewaan dan jasa	51
Pertambangan dan penggalian	8
Jumlah	675,587

The details of balances of channeling loans based on the sources of funds (lenders) are as follows:

	31 Desember/ December 31, 2019
Bank Indonesia	402,869
Government of East Java Province	100,276
The Ministry of Cooperatives Small and Medium Scale Enterprises	56,294
Department of Finance of the Republic of Indonesia	53,626
Dana Sejahtera Mandiri Foundation	15,942
Forestry and Plantation Department of the Republic of Indonesia	15,326
Department of Cooperatives and Small and Medium Enterprises	14,096
Abadi Karya Bhakti Foundation	6,038
Livestock Division of East Java Province	1,876
Total	666,343

The details of balances of channeling loans based on economic sector are as follows:

	31 Desember/ December 31, 2019
Social culture and community services	476,096
Health service and social activities	53,622
Agriculture, hunting and forestry	52,954
Wholesale and retail	41,373
Fishery	11,955
Accommodation, food and beverages	9,726
Processing industry	7,141
Undefined activities	6,253
Financial intermediary	6,271
Transportation, trading and communication	572
Individual service which serve households	255
Construction	66
Real estate, rental and business services	51
Mining and quarrying	8
Total	666,343

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27. KOMITMEN DAN KONTINJENSI

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi dengan rincian sebagai berikut:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
KOMITMEN		
Tagihan komitmen		
Rupiah:		
Lainnya	878,336	-
	<u>878,336</u>	<u>-</u>
Liabilitas komitmen		
Rupiah		
Fasilitas kredit kepada debitur yang belum digunakan	3,727,461	3,850,264
Total liabilitas komitmen, neto	<u>2,849,125</u>	<u>3,850,264</u>
KONTINJENSI		
Tagihan kontinjensi		
Rupiah:		
Pendapatan bunga dalam penyelesaian	154,952	104,410
Lainnya	13	13
	<u>154,965</u>	<u>104,423</u>
Liabilitas kontinjensi		
Rupiah		
Bank garansi yang diberikan	1,019,602	2,257,934
Mata uang asing		
Bank garansi yang diberikan	42,150	80,092
	<u>1,061,752</u>	<u>2,338,026</u>
Total liabilitas kontinjensi, neto	<u>906,787</u>	<u>2,233,603</u>
Total liabilitas komitmen dan kontinjensi, neto	<u>3,755,912</u>	<u>6,083,867</u>

Pada tanggal 31 Desember 2020 dan 2019, Bank tidak mempunyai tagihan dan liabilitas komitmen dan kontinjensi kepada pihak berelasi.

27. COMMITMENTS AND CONTINGENCIES

The Bank has receivables and liabilities involving commitments and contingencies as follows:

COMMITMENTS
Commitment receivables
Rupiah:
Others
Commitment liability
Rupiah
Unused loan commitments granted to debtors
Total commitment liabilities, net
CONTINGENCIES
Contingent receivables
Rupiah:
Interest income on past due accounts
Others
Contingent liabilities
Rupiah
Bank guarantees issued
Foreign currencies
Bank guarantees issued
Total contingent liabilities, net
Total commitment and contingent liabilities, net

As of December 31, 2020 and 2019, the Bank has no outstanding commitment and contingent receivables and liabilities involving related parties.

28. PENDAPATAN BUNGA DAN SYARIAH

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Pihak berelasi (Catatan 36)		
Kredit yang diberikan	39,988	16,876
Margin dan pendapatan bagi hasil	2,930	750
Pihak ketiga		
Kredit yang diberikan	4,302,894	4,098,302
Penempatan pada Bank Indonesia dan bank lain	544,780	741,114
Surat berharga		
Biaya perolehan diamortisasi	958,361	741,153
Margin dan pendapatan bagi hasil	126,406	135,234
Provisi	75,787	71,929
Sertifikat Bank Indonesia	31,278	24,288
Lainnya	6,318	9,370
Total	<u>6,088,742</u>	<u>5,839,016</u>

Related parties (Note 36)
Loans
Margin and profit-sharing revenue
Third parties
Loans
Placements with Bank Indonesia and other banks
Marketable securities
Amortised cost
Margin and profit-sharing revenue
Provision
Certificates of Bank Indonesia
Others
Total

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29. BEBAN BUNGA DAN SYARIAH

	31 Desember/ December 31, 2020
Deposito berjangka	1,330,649
Tabungan	302,491
Giro	222,465
Premi penjaminan Pemerintah	133,284
Pinjaman yang diterima	30,450
Bagi hasil <i>mudharabah</i>	4,659
Premi asuransi lainnya	7,137
Beban bunga kredit	216
Premium surat berharga	121
Total	2,031,472

Beban bunga kepada pihak berelasi diungkapkan pada Catatan 36.

29. INTEREST AND SHARIA EXPENSE

	31 Desember/ December 31, 2019	
	1,135,911	<i>Time deposits</i>
	280,130	<i>Savings accounts</i>
	248,577	<i>Current accounts</i>
	114,186	<i>Premium on Government guarantee</i>
	40,595	<i>Borrowings</i>
	17,354	<i>Mudharabah profit-sharing expense</i>
	2,662	<i>Other insurance premium</i>
	-	<i>Loan interest expense</i>
	-	<i>Premium on marketable securities</i>
Total	1,839,415	Total

Interest expense involving related parties is disclosed in Note 36.

30. PENDAPATAN OPERASIONAL LAINNYA - LAINNYA

	31 Desember/ December 31, 2020
Fee atas transaksi elektronik	110,699
Administrasi bank garansi	8,842
Referensi bank	3,005
Taksasi kredit	4,849
Penjualan barang cetakan	2,040
Keuntungan transaksi derivatif	886
Administrasi warkat kliring	131
Lainnya	22,787
Jumlah pendapatan lainnya	153,239

30. OTHER OPERATING INCOME - OTHERS

	31 Desember/ December 31, 2019	
	110,711	<i>Electronic transaction fee</i>
	19,111	<i>Bank guarantees administration</i>
	7,454	<i>Bank references</i>
	6,416	<i>Appraisals for loans</i>
	2,286	<i>Proceeds from selling printed materials</i>
	155	<i>Gain from derivative transaction</i>
	167	<i>Administration for clearing services</i>
	33,559	<i>Others</i>
Total	179,859	Total other operating income

31. PENYISIHAN KERUGIAN PENURUNAN NILAI ATAS ASET KEUANGAN

	31 Desember/ December 31, 2020
Kredit yang diberikan	
Modal kerja	301,717
Konsumsi	70,445
Investasi	194,510
	566,672
Aset keuangan lainnya	
Penempatan pada Bank Indonesia dan bank lain	(1,562)
Giro pada bank lain	28
Surat berharga	2,944
Estimasi kerugian komitmen dan kontinjensi	(331)
Jumlah	567,751

31. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	31 Desember/ December 31, 2019	
	258,782	<i>Loans</i>
	84,483	<i>Working capital</i>
	18,141	<i>Consumption</i>
	361,406	Investment
Aset keuangan lainnya		<i>Other financial assets</i>
Penempatan pada Bank Indonesia dan bank lain	55	<i>Placement with Bank Indonesia and other banks</i>
Giro pada bank lain	10	<i>Current accounts with other banks</i>
Surat berharga	4,661	<i>Marketable securities</i>
Estimasi kerugian komitmen dan kontinjensi	4,133	<i>Estimated losses on commitments and contingencies</i>
Total	370,265	Total

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32. BEBAN TENAGA KERJA DAN TUNJANGAN KARYAWAN

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Gaji pegawai	452,574	429,572
Bonus pegawai	372,824	344,126
Tambahan penghasilan pegawai	159,614	194,481
Asuransi dan iuran dana pensiun	170,670	174,579
Sewa tenaga kerja	133,319	107,723
Tunjangan pajak penghasilan pegawai	64,648	72,664
Pendidikan dan latihan	46,838	71,452
Imbalan kerja	70,875	19,406
Pengobatan	34,926	16,386
Gaji Direksi	8,195	8,586
Rekreasi dan olahraga	3,134	5,040
Honorarium Dewan Komisaris	8,741	4,590
Tambahan penghasilan Direksi	4,030	2,700
Tambahan penghasilan Komisaris	2,163	1,841
Perumahan Direksi	1,951	1,578
Lainnya	10,030	4,670
Total	1,544,532	1,459,394

<i>Employee salaries</i>
<i>Employee bonuses</i>
<i>Additional income for employees</i>
<i>Insurance and pension fund contributions</i>
<i>Outsourcing</i>
<i>Tax allowances - employees' salaries</i>
<i>Education and training</i>
<i>Employee benefit</i>
<i>Medical</i>
<i>Directors' salaries</i>
<i>Recreation and sport</i>
<i>Commissioners' honoraria</i>
<i>Additional compensation for Directors</i>
<i>Additional compensation for Commissioners</i>
<i>Housing for Directors</i>
<i>Others</i>
Total

33. BEBAN UMUM DAN ADMINISTRASI

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Penyusutan aset tetap (Catatan 14)	109,944	44,993
Jasa otomasi	107,984	123,584
Amortisasi beban ditangguhkan	62,867	23,224
Sewa	54,487	114,020
Pemeliharaan	52,234	54,232
Alat tulis dan barang cetak	44,659	58,320
Listrik, air dan telekomunikasi	38,710	44,651
Perjalanan dinas	36,350	75,112
Promosi	30,595	35,889
Pengawasan, pemeriksaan dan jasa tenaga ahli	22,974	9,312
Sumbangan	22,883	20,031
Premi asuransi pertanggungan lainnya	20,196	19,104
Tanggung jawab sosial dan lingkungan	21,953	15,968
Keamanan	9,419	9,321
Pajak lainnya	4,243	8,465
Surat Dinas	3,286	-
Penagihan	1,172	12,080
Lainnya	40,260	15,651
Total	684,216	683,957

<i>Depreciation of fixed assets (Note 14)</i>
<i>Automation services</i>
<i>Amortization of deferred charges</i>
<i>Rental</i>
<i>Maintenance</i>
<i>Stationery and printed materials</i>
<i>Electrical, water and telecommunications</i>
<i>Official/business travel</i>
<i>Promotion</i>
<i>Supervision, audit and professional services</i>
<i>Donations</i>
<i>Other insurance premiums</i>
<i>Social and environment responsibility</i>
<i>Security</i>
<i>Other taxes</i>
<i>Mail Service</i>
<i>Collection</i>
<i>Others</i>
Total

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34. BEBAN LAINNYA

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Tanda mata, hadiah dan umum	88,345	84,084
Kliring dan <i>transfer</i>	48,015	41,855
Rapat dan jamuan tamu	9,031	14,915
Penelitian dan pengembangan	13,026	3,590
Kegiatan keagamaan	1,221	2,785
Provisi, komisi dan <i>fee</i>	22	42
Lainnya	2,705	16,115
Total	162,365	163,386

*Souvenirs, gifts and general
Clearing and transfers
Meetings and entertainment
Research and development
Religious activities
Provision, commission and fee
Others
Total*

35. LABA PER SAHAM DASAR

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Laba untuk perhitungan laba per saham dasar	1,488,962	1,376,505
Rata-rata tertimbang jumlah saham	15,015,498,082	14,994,423,326
Laba per saham dasar (dalam Rupiah penuh)	99.16	91.80

*Income for computation of
basic earnings per share
Weighted average number of shares
Basic earnings per share
(in full Rupiah)*

36. 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.

36. 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.

Pihak berelasi	Sifat dari hubungan/ Nature of relationship	Sifat dari transaksi/ Nature of transactions	Related parties
Pemerintah Propinsi Jawa Timur	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of East Java Province
Pemerintah Kota Surabaya	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Surabaya City
Pemerintah Kabupaten Malang	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Malang Regency
Pemerintah Kabupaten Jember	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Jember Regency
Pemerintah Kota Pasuruan	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Pasuruan City
Pemerintah Kabupaten Banyuwangi	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Banyuwangi Regency
Pemerintah Kabupaten Probolinggo	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Probolinggo Regency
Pemerintah Kabupaten Bondowoso	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Bondowoso Regency
Pemerintah Kabupaten Sidoarjo	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Sidoarjo Regency
Pemerintah Kabupaten Tuban	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Tuban Regency
Pemerintah Kabupaten Situbondo	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Situbondo Regency
Pemerintah Kabupaten Kediri	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Kediri Regency
Pemerintah Kabupaten Lumajang	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Lumajang Regency
Pemerintah Kabupaten Lamongan	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Lamongan Regency
Pemerintah Kabupaten Nganjuk	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Nganjuk Regency
Pemerintah Kabupaten Mojokerto	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Mojokerto Regency
Pemerintah Kabupaten Sampang	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Sampang Regency
Pemerintah Kota Malang	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Malang City
Pemerintah Kabupaten Pasuruan	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Pasuruan Regency

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Pihak berelasi	Sifat dari hubungan/ Nature of relationship	Sifat dari transaksi/ Nature of transactions	Related parties
Pemerintah Kabupaten Bangkalan	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Bangkalan Regency
Pemerintah Kabupaten Gresik	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Gresik Regency
Pemerintah Kota Mojokerto	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Mojokerto City
Pemerintah Kabupaten Pacitan	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Pacitan Regency
Pemerintah Kota Batu	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Batu City
Pemerintah Kabupaten Ngawi	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Ngawi Regency
Pemerintah Kabupaten Jombang	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Jombang Regency
Pemerintah Kabupaten Madiun	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Madiun Regency
Pemerintah Kabupaten Pamekasan	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Pamekasan Regency
Pemerintah Kabupaten Tulungagung	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Tulungagung Regency
Pemerintah Kabupaten Blitar	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Blitar Regency
Pemerintah Kabupaten Ponorogo	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Ponorogo Regency
Pemerintah Kabupaten Trenggalek	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Trenggalek Regency
Pemerintah Kabupaten Magetan	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Magetan Regency
Pemerintah Kabupaten Bojonegoro	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Bojonegoro Regency
Pemerintah Kota Probolinggo	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Probolinggo City
Pemerintah Kota Blitar	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Blitar City
Pemerintah Kota Madiun	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Madiun City
Pemerintah Kota Kediri	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Kediri City
Pemerintah Kabupaten Sumenep	Pemegang saham/Shareholder	Penempatan dana/Fund placement	Government of Sumenep Regency
Pemerintah Kabupaten Bojonegoro	Pemegang saham/Shareholder	Kredit yang diberikan/Loans	Government of Bojonegoro Regency
Pemerintah Kabupaten Lamongan	Pemegang saham/Shareholder	Kredit yang diberikan/Loans	Government of Lamongan Regency
Pemerintah Kabupaten Malang	Pemegang saham/Shareholder	Kredit yang diberikan/Loans	Government of Malang Regency
RSUD Dr. Soetomo	Dimiliki oleh pemegang saham akhir yang sama/Owned by the ultimate shareholder	Kredit yang diberikan/Loans	RSUD Dr. Soetomo
RSUD Dr. Soedono Madiun	Dimiliki oleh pemegang saham akhir yang sama/Owned by the ultimate shareholder	Kredit yang diberikan/Loans	RSUD Dr. Soedono Madiun
PT Bank Perkreditan Rakyat Jawa Timur	Dimiliki oleh pemegang saham akhir yang sama/Owned by the ultimate shareholder	Kredit yang diberikan/Loans Penempatan dana/Fund placement	PT Bank Perkreditan Rakyat Jawa Timur
Dewan Komisaris, Direksi dan pejabat eksekutif	Karyawan kunci/Key management personnel Pengurus/Management	Simpanan nasabah/Deposits from customers Beban tenaga kerja/Personnel expenses	Board of Commissioners. Board of Directors and executive officers
Saldo aset produktif, simpanan, pinjaman yang diterima dan komitmen dan kontinjensi dari pihak berelasi adalah sebagai berikut:		The outstanding balances of earning assets, deposits, borrowings and commitments and contingencies with related parties were as follows:	
	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
ASET			ASSETS
Kredit yang diberikan dan pembiayaan syariah (catatan 11)			Loans and sharia financing (note 11)
RSUD Dr. Soetomo	69,521	93,973	RSUD Dr. Soetomo
PT BPR Jawa Timur	50,791	26,730	PT BPR Jawa Timur
Pinjaman manajemen kunci	115,072	128,489	Loans to key managements
RSUD Dr. Soedono Madiun	46,139	57,439	RSUD Dr. Soedono Madiun
Lain-lain	4,072	14,265	Others
Total	285,595	320,896	Total
Persentase terhadap jumlah aset	0.34%	0.42%	Percentage to total assets

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LIABILITAS		
Simpanan dari nasabah (Catatan 17)	14,375,132	14,940,917
Persentase terhadap jumlah liabilitas	19.53%	22.12%
Simpanan dari bank lain (Catatan 18)		
PT BPR Jawa Timur	238,798	126,508
PT BPR Surya Atha Utama	62	670
PT BPR Bank Daerah Tulungagung	-	10,641
Total	238,860	137,819
Persentase terhadap jumlah liabilitas	0.32%	0.20%
LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN		
Pendapatan bunga (Catatan 28)	42,918	17,626
Persentase terhadap jumlah pendapatan bunga dan syariah	0.70%	0.30%
Beban bunga dan syariah	547,597	728,486
Persentase terhadap jumlah beban bunga dan syariah	26.96%	39.60%

Komitmen dan kontinjensi

Tidak terdapat saldo komitmen dan kontinjensi kepada pihak berelasi untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2020 dan 2019.

Kompensasi manajemen kunci

Kompensasi kepada personil manajemen kunci Bank (diluar Komisaris dan Direksi) adalah sebagai berikut:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Gaji	20,372	20,208
Jasa produksi	10,733	9,337
Tunjangan	8,632	10,866
Imbalan pasca kerja	-	2,787
Jumlah	39,737	43,198

Jumlah remunerasi yang telah dan akan dibayar untuk tahun yang berakhir pada tanggal 31 Desember 2020 dan 2019 untuk Dewan Komisaris, masing-masing adalah Rp17.652 dan Rp9.485 dan untuk Direksi, masing-masing adalah Rp23.440 dan Rp42.398.

LIABILITIES	
Deposits from customers (Note 17)	
Percentage to total liabilities	
Deposits from other banks (Note 18)	
PT BPR Jawa Timur	
PT BPR Surya Atha Utama	
PT BPR Bank Daerah Tulungagung	
Total	
Percentage to total liabilities	
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Interest income (Note 28)	
Percentage to total interest and sharia income	
Interest and sharia expenses	
Percentage to total interest and sharia expenses	

Commitments and contingencies

There were no commitments and contingencies involving related parties as of December 31, 2020 and 2019.

Compensation of key management personnel

The compensation of key management personnel of the Bank (excluding Commissioners and Directors) are follows:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
Salary		
Production bonus		
Allowance		
Post employee benefits		
Total		

Total remuneration paid and payable for the years ended December 31, 2020 and 2019 to the Board of Commissioners were Rp17,652 and Rp9,485, respectively, and to the Board of Directors were Rp23,440 and Rp42,398, respectively.

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37. INFORMASI SEGMENT USAHA

Informasi yang berkaitan dengan segmen usaha yang operasi dari Bank disajikan dalam tabel di bawah ini:

37. SEGMENT INFORMATION

Information concerning the operating segment information of the Bank is set out in the table below:

	31 Desember 2020/December 31, 2020				
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Total	
Pendapatan segmen	7,559,870	170,250.00	-	7,730,120	Segment income
Beban segmen	(3,546,855)	(61,361.00)	-	(3,608,216)	Segment expenses
Pendapatan segmen - neto	4,013,015	108,889.00	-	4,121,904	Segment Income - net
Pendapatan operasional lainnya	832,456	14,765.00	-	847,221	Other operating income
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(895,465)	(17,198.00)	-	(912,663)	Provision for impairment losses on financial and non-financial assets
Pembalikan kerugian komitmen dan kontinjensi	1,413	-	-	1,413	Reversal of losses on commitment and contingencies
Beban operasional lainnya	(2,435,983)	(95,551.00)	-	(2,531,534)	Other operating expenses
Laba operasional	1,515,436	10,905.00	-	1,526,341	Income from operations
Pendapatan (beban) bukan operasional - neto	(19,272)	299.00	-	(18,973)	Non-operating income (expenses) - net
Beban pajak - neto	(18,406)	-	-	(18,406)	Tax expense - net
Laba (rugi) periode berjalan	1,477,758	11,204.00	-	1,488,962	Income (expense) for the period
Total aset	81,078,915	3,069,058	(528,521)	83,619,452	Total assets

	31 Desember 2019/December 31, 2019				
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Total	
Pendapatan segmen	7,091,755	185,553	-	7,277,308	Segment income
Beban segmen	(3,156,518)	(77,763)	-	(3,234,281)	Segment expenses
Pendapatan segmen - neto	3,935,237	107,790	-	4,043,027	Segment Income - net
Pendapatan operasional lainnya	533,519	26,893	-	560,412	Other operating income
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(331,060)	(35,134)	-	(366,194)	Provision for impairment losses on financial and non-financial assets
Penyisihan kerugian komitmen dan kontinjensi	(4,133)	-	-	(4,133)	Provision for losses on commitment and contingencies
Beban operasional lainnya	(2,326,326)	(97,257)	-	(2,423,583)	Other operating expenses
Laba operasional	1,807,237	2,292	-	1,809,529	Income from operations
Pendapatan (beban) bukan operasional - neto	54,176	428	-	54,604	Non-operating income (expenses) - net
Beban pajak - neto	(487,628)	-	-	(487,628)	Tax expense - net
Laba (rugi) periode berjalan	1,373,785	2,720	-	1,376,505	Income (expense) for the period
Total aset	74,869,629	2,386,133	(499,448)	76,756,313	Total assets

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38. 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.

39. 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

38. 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.

39. 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

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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.

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.

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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.

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.

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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 analis 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.

b. Risiko konsentrasi kredit

Pada tanggal 31 Desember 2020 dan 2019, pengungkapan risiko kredit maksimum berdasarkan konsentrasi sebelum memperhitungkan agunan yang dimiliki dan perjanjian *master netting* adalah sebagai berikut:

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.

b. Credit concentration risk

As of December 31, 2020 and 2019, the disclosure of the maximum credit risk by concentration without taking into account any collateral held and master netting agreements is as follows:

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Konsentrasi risiko kredit berdasarkan geografisConcentration of credit risk by geography

31 Desember/ December 31, 2020						
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others	Total/ Total
Posisi keuangan						
Giro pada Bank Indonesia	-	3,659,968	-	-	-	3,659,968
Giro pada bank lain	-	237,662	-	-	-	237,662
Penempatan pada Bank Indonesia dan bank lain	1,152,000	2,673,067	538,000	449,000	2,071,796	6,883,863
Surat berharga						
Biaya perolehan diamortisasi	-	10,914,522	-	-	-	10,914,522
Nilai wajar melalui pendapatan komprehensif lain	-	3,744,097	-	-	-	-
Surat berharga yang dijual dengan janji dibeli kembali	-	-	-	-	-	-
Surat berharga yang dibeli dengan janji dijual kembali	-	12,573,044	-	-	-	12,573,044
Tagihan lainnya	131,932	-	-	-	-	131,932
Kredit yang diberikan dan pembiayaan syariah						
Modal kerja	7,109,996	471,777	50,448	3,347	3,961	7,639,529
Investasi	3,434,953	1,802,632	149,990	423,752	-	5,811,327
Konsumsi	26,403,793	140,185	30,673	-	538	26,575,189
Pendapatan bunga yang masih akan diterima	540,618	12,327	817	1,096	162	555,020
Total	38,773,292	36,229,281	769,928	877,195	2,076,457	78,726,153
Rekening administratif						
Fasilitas kredit kepada nasabah yang belum digunakan	2,318,875	1,324,543	9,232	74,811	-	3,727,461
Bank garansi yang diterbitkan	1,061,752	-	-	-	-	1,061,752
Total	3,380,627	1,324,543	9,232	74,811	-	4,789,213

31 Desember/ December 31, 2019						
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others	Total/ Total
Posisi keuangan						
Giro pada Bank Indonesia	-	5,734,527	-	-	-	5,734,527
Giro pada bank lain	-	111,454	-	-	-	111,454
Penempatan pada Bank Indonesia dan bank lain	9,483	10,763,402	539,744	124,953	549,645	11,987,227
Surat berharga						
Biaya perolehan diamortisasi	13,735	9,438,971	-	100,000	-	9,552,706
Nilai wajar melalui pendapatan komprehensif lain	-	10,365	-	-	-	10,365
Surat berharga yang dijual dengan janji dibeli kembali	-	1,038,432	-	-	-	1,038,432
Surat berharga yang dibeli dengan janji dijual kembali	-	5,837,520	-	-	-	5,837,520
Tagihan lainnya	81,265	-	-	-	-	81,265
Kredit yang diberikan dan pembiayaan syariah						
Modal kerja	7,236,359	278,703	30,350	2,153	2,355	7,549,920
Investasi	3,318,664	740,448	189,600	291,976	-	4,540,688
Konsumsi	25,093,107	160,920	26,889	-	642	25,281,558
Pendapatan bunga yang masih akan diterima	408,070	6,946	600	750	54	416,420
Total	36,160,683	34,121,688	787,183	519,832	552,696	72,142,082
Rekening administratif						
Fasilitas kredit kepada nasabah yang belum digunakan	2,391,950	1,222,031	29,438	206,845	-	3,850,264
Bank garansi yang diterbitkan	2,338,026	-	-	-	-	2,338,026
Total	4,729,976	1,222,031	29,438	206,845	-	6,188,290

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Konsentrasi risiko kredit berdasarkan sektor industriConcentration of credit risk by industry sector

31 Desember/ December 31, 2020							
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Lembaga keuangan bukan bank/ Non-bank financial institutions	Banks	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals	Total/ Total	
Posisi keuangan							Financial position
Giro pada Bank Indonesia	3,659,968	-	-	-	-	3,659,968	Current accounts with Bank Indonesia
Giro pada bank lain	-	-	237,662	-	-	237,662	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	6,883,863	-	-	-	-	6,883,863	Placements with Bank Indonesia and other banks
Tagihan spot derivatif	-	-	-	-	-	-	Spot derivative receivables
Surat berharga							Marketable securities
Biaya perolehan diamortisasi	5,704,783	-	326,546	4,883,193	-	10,914,522	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	3,744,097	-	-	-	-	-	Fair value through other comprehensive income
Surat berharga yang dijual dengan janji dibeli kembali							Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	-	-	12,573,044	-	-	12,573,044	Marketable securities purchased under resale agreement
Tagihan lainnya	-	-	-	-	131,932	131,932	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	405	167,702	302,647	3,302,742	3,866,033	7,639,529	Working capital
Investasi	69,490	1,319	-	4,730,213	1,010,305	5,811,327	Investment
Konsumsi	-	-	-	2,559	26,572,630	26,575,189	Consumption
Pendapatan bunga yang masih akan diterima	354	1,364	621	92,095	460,586	555,020	Interest receivables
Total	20,062,960	170,385	13,440,520	13,010,802	32,041,486	78,726,153	Total
Rekening administratif							Administrative accounts
Fasilitas kredit kepada nasabah yang belum digunakan	-	-	223,300	-	3,504,161	3,727,461	Unused loans commitments granted to customers
Bank garansi yang diterbitkan	-	-	-	-	1,061,752	1,061,752	Bank guarantees issued
Total	-	-	223,300	-	4,565,913	4,789,213	Total

31 Desember/ December 31, 2019							
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Lembaga keuangan bukan bank/ Non-bank financial institutions	Banks	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals	Total/ Total	
Posisi keuangan							Financial position
Giro pada Bank Indonesia	5,734,527	-	-	-	-	5,734,527	Current accounts with Bank Indonesia
Giro pada bank lain	-	-	111,454	-	-	111,454	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	11,987,227	-	-	-	-	11,987,227	Placements with Bank Indonesia and other banks
Tagihan spot derivatif	-	-	-	-	-	-	Spot derivative receivables
Surat berharga							Marketable securities
Biaya perolehan diamortisasi	5,061,634	-	411,796	4,079,276	-	9,552,706	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	10,365	-	-	-	-	10,365	Fair value through other comprehensive income
Surat berharga yang dijual dengan janji dibeli kembali	1,038,432	-	-	-	-	1,038,432	Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	-	-	5,837,520	-	-	5,837,520	Marketable securities purchased under resale agreement
Tagihan lainnya	-	-	-	-	81,265	81,265	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	-	157,167	155,831	3,654,386	3,582,536	7,549,920	Working capital
Investasi	95,667	1,087	-	3,493,898	950,036	4,540,688	Investment
Konsumsi	-	-	-	-	25,281,558	25,281,558	Consumption
Pendapatan bunga yang masih akan diterima	459	959	503	50,604	363,895	416,420	Interest receivables
Total	23,928,311	159,213	6,517,104	11,278,164	30,259,290	72,142,082	Total
Rekening administratif							Administrative accounts
Fasilitas kredit kepada nasabah yang belum digunakan	-	-	76,900	-	3,773,364	3,850,264	Unused loans commitments granted to customers
Bank garansi yang diterbitkan	-	-	-	-	2,338,026	2,338,026	Bank guarantees issued
Total	-	-	76,900	-	6,111,390	6,188,290	Total

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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 ("secondary source of repayment") dan sebagai salah satu bentuk mitigasi risiko kredit. Sumber utama pelunasan kredit adalah dari hasil usaha debitur.

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.

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.

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.

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- 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.
- 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.

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

- 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.
- 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.

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-

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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.
- 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.

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.
- 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.

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- *Loss Given Default (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.

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.

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- *Loss Given Default (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.

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.

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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.

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 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. Pada 1 Januari 2018 dan 31 Desember 2018, Bank menyimpulkan bahwa tiga skenario dengan tepat menangkap non-linearitas. 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

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.

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 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. At 1 January 2018 and 31 December 2018, for all portfolios the Bank concluded that three scenarios appropriately captured non-linearities. 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

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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.

Seperti halnya perkiraan ekonomi, proyeksi dan kemungkinan terjadinya tunduk pada tingkat ketidakpastian bawaan yang tinggi dan oleh karena itu hasil aktual mungkin 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 mungkin.

Asumsi variabel ekonomi

Asumsi akhir periode yang paling signifikan digunakan untuk estimasi ECL pada tanggal 31 Desember 2020 diuraikan di bawah ini. Skenario "base", "upside" dan "downside" digunakan untuk semua portofolio.

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.

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.

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at December 31, 2020 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

Variabel Ekonomi/ Economic Variable	Skenario/ Scenarios	2021	2022	2023
Inflasi/ Inflation (%)	Base	2,05	2,14	2,20
	Upside	3,53	3,63	3,60
	Downside	(0,21)	(0,14)	(0,16)
Nilai tukar/ Exchange rate (Rp/US\$)	Base	14.539,75	14.120,47	14.204,12
	Upside	12.625,29	12.766,65	12.881,96
	Downside	16.134,96	16.181,98	17.022,43
Tingkat suku bunga/ Interest rate (%)	Base	3,98	4,23	4,24
	Upside	2,90	3,13	3,15
	Downside	5,64	5,90	5,90
Minyak mentah/ Oil Brent (US\$/Barel)	Base	64,65	63,46	60,63
	Upside	43,59	43,34	41,28
	Downside	96,72	94,10	90,11
Emas/ Gold (US\$/oz)	Base	1.642,84	1.606,80	1.604,69
	Upside	1.457,77	1.423,25	1.424,35
	Downside	1.924,65	1.886,28	1.879,30
Tingkat pengangguran/ Unemployment rate (%)	Base	6,01	5,83	5,84
	Upside	5,58	5,43	5,45
	Downside	6,66	6,46	6,43
Tingkat harga properti/ Index house (%)	Base	209,95	210,38	211,08
	Upside	225,67	225,99	226,56
	Downside	186,01	186,59	187,52
Produk Domestik Bruto/ Gross Domestic Product (%)	Base	1,18	1,64	1,54
	Upside	3,36	3,81	3,68
	Downside	(2,15)	(1,66)	(1,72)

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Bobot yang ditetapkan untuk setiap skenario ekonomi pada tanggal 31 Desember 2020 adalah sebagai berikut:

The weightings assigned to each economic scenario at December 31, 2020 were as follows:

Kelompok kredit/ Peer group	Skenario/ Scenarios	Base	Upside	Downside
Sektor administrasi pemerintahan, pertahanan dan jaminan sosial wajib - Badan Internasional dan lainnya/ Administration, government, defence and social security sector - International institution and others	Tahap/Stage 1	0,95% - 4,36%	0,95% - 4,36%	0,95% - 4,36%
	Tahap/Stage 2	17,78% - 26,64%	17,78% - 26,61%	17,78% - 26,65%
	Tahap/Stage 3	26,65%	26,65%	26,65%
Sektor rumah tangga - Sektor bukan lapangan usaha lainnya/ Households sectors - Other business sectors	Tahap/Stage 1	0,01% - 0,72%	0,01% - 0,94%	0,002% - 0,45%
	Tahap/Stage 2	0,82% - 2,63%	0,53% - 1,68%	1,06% - 3,08%
	Tahap/Stage 3	3,46%	3,46%	3,46%
Sektor industri pengolahan/ Processing industry sectors	Tahap/Stage 1	0,01% - 0,15%	0,01% - 0,13%	0,01% - 0,16%
	Tahap/Stage 2	3,90% - 16,97%	3,58% - 14,37%	4,12% - 18,73%
	Tahap/Stage 3	33,88%	33,88%	33,88%
Sektor jasa kesehatan dan kegiatan sosial - Sektor jasa pendidikan - Sektor jasa kemasyarakatan, sosial budaya, hiburan dan perorangan lainnya/ Health service and social activities sector - Education service sector - Public, social culture, entertainment and other individual service sector	Tahap/Stage 1	0,04% - 0,07%	0,04% - 0,07%	0,04% - 0,07%
	Tahap/Stage 2	6,01% - 15,95%	6,01% - 13,94%	6,01% - 19,34%
	Tahap/Stage 3	32,27%	32,27%	32,27%
Jasa perorangan yang melayani rumah tangga/ Individual service which serve households	Tahap/Stage 1	0,04% - 0,07%	0,04% - 0,07%	0,04% - 0,07%
	Tahap/Stage 2	6,01% - 15,95%	6,01% - 13,94%	6,01% - 19,34%
	Tahap/Stage 3	32,27%	32,27%	32,27%
Kegiatan yang belum jelas batasannya/ Limit activities that are not yet clear	Tahap/Stage 1	0,001% - 0,002%	0,001% - 0,002%	0,001% - 0,002%
	Tahap/Stage 2	0,19% - 0,49%	0,19% - 0,43%	0,19% - 0,60%
	Tahap/Stage 3	1,00%	1,00%	1,00%
Penyediaan akomodasi dan penyediaan makan minum/ Accommodation, food and beverages	Tahap/Stage 1	0,01% - 0,31%	0,01% - 0,23%	0,02% - 0,49%
	Tahap/Stage 2	4,73% - 20,67%	3,93% - 17,19%	6,15% - 25,57%
	Tahap/Stage 3	34,05%	34,05%	34,05%
Perantara keuangan/ Financial intermediaries	Tahap/Stage 1	0,0071% - 0,0024%	0,0046% - 0,0015%	0,014% - 0,0048%
	Tahap/Stage 2	4,74% - 15,95%	3,90% - 26,59%	6,24% - 7,39%
	Tahap/Stage 3	38,42%	38,42%	38,42%
Perdagangan besar dan eceran/ Wholesale and retail	Tahap/Stage 1	0,71% - 4,88%	0,60% - 4,36%	0,79% - 5,25%
	Tahap/Stage 2	21,67% - 35,88%	20,68% - 29,12%	22,31% - 69,51%
	Tahap/Stage 3	36,62%	36,62%	36,62%
Sektor transportasi, pergudangan dan komunikasi - listrik gas dan air - konstruksi - pertambangan/ Transportation, warehousing and communication - electricity, gas and water - construction, mining sectors	Tahap/Stage 1	0,15% - 0,73%	0,07% - 0,42%	0,38% - 1,58%
	Tahap/Stage 2	6,01% - 21,58%	4,22% - 13,19%	9,55% - 31,92%
	Tahap/Stage 3	35,00%	35,00%	35,00%
Sektor perikanan - Sektor pertanian, perburuan dan kehutanan/ Fishery sectors - Agriculture, hunting and forestry sectors	Tahap/Stage 1	0,04% - 0,08%	0,03% - 0,06%	0,06% - 0,13%
	Tahap/Stage 2	6,68% - 14,62%	5,80% - 10,89%	8,16% - 22,16%
	Tahap/Stage 3	35,41%	35,41%	35,41%
Real estate, usaha persewaan dan jasa perusahaan/ Real estate, business rental and company services	Tahap/Stage 1	0,24% - 0,18%	0,17% - 0,13%	0,38% - 0,30%
	Tahap/Stage 2	22,36% - 43,79%	20,04% - 32,90%	25,99% - 54,34%
	Tahap/Stage 3	55,76%	55,76%	55,76%
Skim Multiguna/ Multiguna scheme	Tahap/Stage 1	0,005% - 1,07%	0,003% - 0,74%	0,011% - 1,81%
	Tahap/Stage 2	15,74% - 25,03%	13,22% - 20,74%	19,89% - 31,59%
	Tahap/Stage 3	47,61%	47,61%	47,61%
Skim kredit pegawai/ Employee loan scheme	Tahap/Stage 1	0,0004% - 0,2975%	0,0003% - 0,059%	0,01% - 2,13%
	Tahap/Stage 2	18,10% - 32,14%	9,81% - 19,04%	32,14% - 43,66%
	Tahap/Stage 3	45,29%	45,29%	45,29%
Skim kredit Almambrur/ Almambrur loan scheme	Tahap/Stage 1	0,00% - 0,00%	0,00% - 0,00%	0,00% - 0,00%
	Tahap/Stage 2	0,00% - 0,00%	0,00% - 0,00%	0,00% - 0,00%
	Tahap/Stage 3	1,00%	1,00%	1,00%
Skim kredit kepemilikan rumah/ Housing loan scheme	Tahap/Stage 1	0,001% - 0,126%	0,001% - 0,118%	0,001% - 0,137%
	Tahap/Stage 2	3,98% - 15,26%	3,86% - 14,77%	4,17% - 16,00%
	Tahap/Stage 3	26,35%	26,35%	26,35%
Skim Kredit Ketahanan Pangan dan Energi/ Energy and Food Stability Loan Scheme	Tahap/Stage 1	12,20% - 12,20%	12,19% - 12,17%	12,21% - 12,21%
	Tahap/Stage 2	12,21% - 12,21%	12,21% - 12,21%	12,21% - 12,21%
	Tahap/Stage 3	12,21%	12,21%	12,21%
Skim Kredit Usaha Pembibitan Sapi/ Cattle Breeding Business Loan Scheme	Tahap/Stage 1	0,07% - 23,45%	0,06% - 22,61%	0,08% - 24,74%
	Tahap/Stage 2	15,15% - 37,88%	14,43% - 32,29%	16,27% - 45,36%
	Tahap/Stage 3	52,93%	52,93%	52,93%
Skim Kredit BPR Linkage/ BPR Linkage Loan Scheme	Tahap/Stage 1	0,29% - 6,00%	0,29% - 6,00%	0,29% - 6,00%
	Tahap/Stage 2	23,18% - 46,86%	23,18% - 44,86%	23,18% - 48,23%
	Tahap/Stage 3	48,92%	48,92%	48,92%
Skim Kredit Usaha Rakyat/ People's Business Loan Scheme	Tahap/Stage 1	0,02% - 0,21%	0,01% - 0,16%	0,03% - 0,32%
	Tahap/Stage 2	3,43% - 10,87%	2,94% - 9,22%	4,26% - 13,26%
	Tahap/Stage 3	17,87%	17,87%	17,87%
Skim Kredit PRK/ PRK loan scheme	Tahap/Stage 1	0,02% - 0,26%	0,02% - 0,24%	0,02% - 0,28%
	Tahap/Stage 2	7,03% - 50,19%	6,83% - 50,19%	7,35% - 50,19%
	Tahap/Stage 3	50,19%	50,19%	50,19%

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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.

Tabel berikut menjelaskan mutasi penyisihan kerugian penurunan nilai kredit dan pembiayaan syariah yang diberikan pada awal dan akhir tahun karena faktor-faktor ini:

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 derecognized 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.

The following tables explain the changes in the allowance of impairment losses of loans and sharia financing between the beginning and the end of the annual period due to these factors:

31 Desember/ December, 31 2020					
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	Total/ Total
Saldo awal tahun/ Beginning balance of year	101,672	66,546	767,280	44,636	980,134
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	48,573	(8,387)	(40,186)	-	-
Transfer ke tahap 2/Transfer to stage 2	(2,657)	2,940	(283)	-	-
Transfer ke tahap 3/Transfer to stage 3	(28,945)	(54,821)	83,766	-	-
Penghapusbukuan/Writte-off	(23,002)	(11,190)	(44,875)	(13,018)	(92,085)
Dibebankan ke laporan laba rugi/ Charge to statement of profit or loss	(31,545)	74,432	506,560	17,225	566,672
Saldo 31 Desember 2020/ Balance at December 31, 2020	64,096	69,520	1,272,262	48,843	1,454,721

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Tabel berikut menjelaskan mutasi nilai tercatat bruto kredit yang diberikan dan pembiayaan syariah pada awal dan akhir tahun karena faktor-faktor ini:

The following tables explain the changes in the gross carrying amount of loans and sharia financing between the beginning and the end of the annual period due to these factors:

31 Desember/ December, 31 2020					
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	Total/ Total
Saldo awal tahun/ Beginning balance of year	35,499,520	366,327	1,084,620	1,401,833	38,352,300
Perubahan aset keuangan/ Change due to financial assets					
Transfer ke tahap 1/Transfer to stage 1	180,861	(98,359)	(82,502)	-	-
Transfer ke tahap 2/Transfer to stage 2	(399,978)	402,797	(2,819)	-	-
Transfer ke tahap 3/Transfer to stage 3	(614,373)	(230,294)	844,667	-	-
Aset keuangan yang baru atau dibeli/ New financial assets originated or purchased	16,351,500	176,067	88,746	218,544	16,834,857
Modifikasi arus kas kontraktual atas aset keuangan/ Modification of contractual cashflow of financial assets	(1,282,700)	(10,055)	(79,537)	-	(1,372,292)
Perubahan akrual bunga/Change in interest accrual	(11,915,882)	(139,939)	(186,193)	-	(12,242,014)
Penghapusbukuan/Write-off	(23,002)	(11,190)	(44,875)	(13,018)	(92,085)
Saldo 31 Desember 2020/ Balance at December 31, 2020	37,795,946	455,354	1,622,107	1,607,359	41,480,766

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 menghapusbukukan aset keuangan yang masih mengacu pada *enforcement activity*. Jumlah saldo kontraktual dari aset yang dihapusbukukan selama tahun yang berakhir pada tanggal 31 Desember 2020 adalah Rp92.113 Bank masih berupaya untuk memulihkan jumlah yang secara legal terutang sepenuhnya.

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, 2020 was Rp92,113 The Bank still seeks to recover amounts it is legally owed in full.

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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.

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). Nilai tercatat bruto aset yang dimiliki pada tanggal 31 Desember 2019 adalah Rp126.150.

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.

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.

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 gross carrying amount of such assets held as at December 31, 2019, was Rp126,150.

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.

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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.

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.

Skala peringkat internal Bank dan pemetaan peringkat eksternal ditetapkan di bawah ini:

The Bank's internal rating scale and mapping of external ratings are set out below:

Group Rating	Kisaran PD dalam persentase/ PD range as percentage	S & P	Penjelasan grade/ Description of the grade
1	0,03% - 0,07%	AAA	Investment grade
2	0,03% - 0,07%	AA+	
3	0,03% - 0,07%	AA	
4	0,03% - 0,13%	AA-	
5	0,03% - 0,26%	A+	
6	0,03% - 0,33%	A	
7	0,04% - 0,45%	A-	
8	0,09% - 0,81%	BBB+	Standard monitoring
9	0,17% - 1,32%	BBB	
10	0,18% - 1,43%	BBB-	
11	0,45% - 2,71%	BB+	
12	0,69% - 3,66%	BB	
13	1,29% - 5,50%	BB-	
14	2,40% - 8,15%	B+	
15	7,29% - 17,05%	B	Special monitoring
16	10,84% - 22,85%	B-	
17	29,41% - 47,87%	CCC+	
18	29,41% - 47,87%	CCC	
19	29,41% - 47,87%	CCC-	
20	29,41% - 47,87%	CC	
21	100,00%	C	
22	100,00%	D	
23	100,00%	D	
24	100,00%	D	
25	0,17% - 1,32%	Not rated	

Berikut ini adalah risiko kredit yang diberikan berdasarkan klasifikasi evaluasi penurunan nilai pada tanggal 31 Desember 2020 dan 2019:

Below are the loans risks based on the allowance for impairment losses assessment classification as of December 31, 2020 and 2019:

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Kredit yang diberikan dan pembiayaan syariah

Berikut ini adalah risiko kredit berdasarkan klasifikasi evaluasi penurunan nilai pada tanggal 31 Desember 2020 dan 2019:

Loans and sharia financing

Below are credit risks based on the allowance for impairment losses assessment classification as of December 31, 2020 and 2019:

	31 Desember/ December 31, 2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total	
Kredit multiguna	21,834,716	24,556	105,064	21,964,336	Multiguna loan
Kredit modal kerja	2,617,206	98,288	501,674	3,217,168	Working capital loan
Industri pengolahan	736,497	21,204	54,382	812,082	Processing industry
Kredit pegawai	2,128,751	6,808	8,972	2,144,531	Employee loans
Perdagangan besar dan eceran	1,938,392	135,113	230,856	2,304,360	Wholesale and retail
Kredit kepemilikan rumah	1,455,692	102,357	281,714	1,839,764	Housing loan
Jasa kemasyarakatan, sosial budaya, hiburan dan perorangan lainnya	1,367,786	13,148	40,102	1,421,036	Public, social culture, entertainment and other individual services
Pertanian, perburuan dan kehutanan	912,886	23,521	56,349	992,756	Agriculture, hunting and forestry
Perantara keuangan	449,235	15,328	16,424	480,987	Financial intermediaries
Penyediaan akomodasi dan penyediaan makan dan minum	157,157	5,097	9,158	171,413	Accommodation, food and beverages
Linkage program	267,595	-	267	267,862	Linkage program
Real estate, usaha persewaan dan jasa perusahaan	24,805	3,945	12,464	41,214	Real estate, business rental and services
Pertambangan, konstruksi, listrik dan transportasi	3,875,088	5,852	299,685	4,180,625	Mining, quarrying, electricity and transportation
Kredit usaha rakyat	-	-	-	-	People's business credit
Jasa perorangan yang melayani rumah tangga	2,519	119	103	2,741	Individual service which serve households
Bukan usaha lainnya dan rumah tangga	27,289	17	-	27,306	Other business and households
Kegiatan yang belum jelas batasannya	1	-	-	1	Limit activities that are not yet clear
Kredit Usaha Pembibitan Sapi	-	-	4,036	4,036	Cattle Breeding Business Loan
Kredit Ketahanan Pangan dan Energi	-	-	827	827	Energy and Food Stability Loan
Lain-lain	360	-	-	360	Others
	37,795,975	455,353	1,622,079	39,873,407	
Cadangan kerugian penurunan nilai	(64,096)	(69,521)	(1,272,260)	(1,405,877)	Allowance for impairment losses
Konvensional - Neto	37,731,879	385,832	349,819	38,467,530	Conventional - Net
	Mengalami penurunan nilai/ Impaired				
	Tidak mengalami penurunan nilai/ Not-impaired	Individu/ Individual	Kolektif/ Collective	Total/ Total	
Syariah	1,485,184	122,175	-	1,607,359	Sharia
Cadangan kerugian penurunan nilai	(27,939)	(20,905)	-	(48,844)	Allowance for impairment losses
Syariah - Neto	1,457,245	101,270	-	1,558,515	Sharia - Net
Total, neto	39,189,124	487,102	349,819	40,026,045	Total, net

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	31 Desember/ December 31, 2019				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total	
Kredit multiguna	20,877,342	15,253	64,278	20,956,873	Multiguna loan
Kredit modal kerja	2,718,342	84,207	301,678	3,104,226	Working capital loan
Industri pengolahan	4,147,763	19,168	336,837	4,503,767	Processing industry
Kredit pegawai	1,980,624	733	6,228	1,987,585	Employee loans
Perdagangan besar dan eceran	1,854,309	72,173	129,056	2,055,538	Wholesale and retail
Kredit kepemilikan rumah	1,495,407	114,877	102,396	1,712,680	Housing loan
Jasa kemasyarakatan, sosial budaya, hiburan dan perorangan lainnya	897,523	25,507	26,253	949,283	Public, social culture, entertainment and other individual services
Pertanian, perburuan dan kehutanan	758,034	27,341	22,796	808,171	Agriculture, hunting and forestry
Perantara keuangan	397,707	894	1,351	399,953	Financial intermediaries
Penyediaan akomodasi dan penyediaan makan dan minum	159,289	4,408	2,671	166,368	Accommodation, food and beverages
Linkage program	157,901	-	267	158,168	Linkage program
Real estate, usaha persewaan dan jasa perusahaan	27,597	402	10,680	38,680	Real estate, business rental and services
Pertambangan, konstruksi, listrik dan transportasi	15,751	1,336	44,111	61,197	Mining, quarrying, electricity and transportation
Kredit usaha rakyat	-	-	26,689	26,689	People's business credit
Jasa perorangan yang melayani rumah tangga	3,400	28	-	3,427	Individual service which serve households
Bukan usaha lainnya dan rumah tangga	7,894	-	-	7,894	Other business and households
Kegiatan yang belum jelas batasannya	638	-	-	638	Limit activities that are not yet clear
Kredit Usaha Pembibitan Sapi	-	-	8,478	8,478	Cattle Breeding Business Loan
Kredit Ketahanan Pangan dan Energi	-	-	851	851	Energy and Food Stability Loan
Lain-lain	-	-	-	-	Others
	35,499,521	366,327	1,084,620	36,950,467	
Cadangan kerugian penurunan nilai	(101,672)	(66,546)	(767,280)	(935,498)	Allowance for impairment losses
Konvensional - Neto	35,601,193	432,873	317,340	36,014,969	Conventional - Net
	Tidak mengalami penurunan nilai/ Not-impaired	Mengalami penurunan nilai/ Individual/ Individual		Total/ Total	
Syariah	1,361,694	40,139	-	1,401,833	Sharia
Cadangan kerugian penurunan nilai	(18,785)	(25,851)	-	(44,636)	Allowance for impairment losses
Syariah - Neto	1,342,909	14,288	-	1,357,197	Sharia - Net
Total, neto	36,944,102	447,161	317,340	37,372,166	Total, net

Mutasi penyisihan kerugian penurunan nilai berdasarkan jenis kredit yang diberikan dan pembiayaan syariah:

Movement of allowance for impairment losses by type of loans and sharia financing:

	31 Desember/ December 31, 2020				
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumption	Total/ Total	
Saldo awal tahun	722,907	175,883	81,344	980,134	Balance at beginning of year
Penyisihan tahun berjalan	301,717	70,445	194,510	566,672	Provision during the year
Penghapusan tahun berjalan	(64,263)	(6,794)	(21,028)	(92,085)	Written-off during the year
Pemulihan	-	-	-	-	Reversal
Saldo 31 Desember 2020	960,361	239,534	254,826	1,454,721	Balance at December 31, 2019
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	823,353	183,774	149,687	1,156,814	Individual impairment
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	137,008	55,760	105,139	297,907	Collective impairment for non impaired loans
Saldo 31 Desember 2020	960,361	239,534	254,826	1,454,721	Balance at December 31, 2019

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	31 Desember/ December 31, 2019				
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumption	Total/ Total	
Saldo awal tahun	851,944	277,159	69,447	1,198,550	Balance at beginning of year
Penyisihan tahun berjalan	258,782	18,142	84,482	361,406	Provision during the year
Penghapusan tahun berjalan	(387,820)	(119,417)	(72,585)	(579,822)	Written-off during the year
Saldo 31 Desember 2019	<u>722,906</u>	<u>175,884</u>	<u>81,344</u>	<u>980,134</u>	Balance at December 31, 2019
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	614,067	129,156	12,103	755,326	Individual impairment
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	108,839	46,728	69,241	224,808	Collective impairment for non impaired loans
Saldo 31 Desember 2019	<u>722,906</u>	<u>175,884</u>	<u>81,344</u>	<u>980,134</u>	Balance at December 31, 2019

Tabel di bawah menunjukkan kualitas kredit per jenis instrumen keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai (diluar cadangan kerugian penurunan nilai):

The table below shows credit quality per class of financial assets (gross of allowance for impairment losses):

	31 Desember/ December 31, 2020					
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ Neither st due nor impaired	Tingkat standar/ Standard grade	Jatuh tempo tetapi tidak mengalami penurunan nilai/ Past-due but not impaired	Mengalami penurunan nilai/ Impaired	Total/ Total	
Biaya perolehan diamortisasi						Amortized cost
Surat Utang Negara	3,652,490	-	-	-	3,652,490	Government's bonds
Obligasi	8,058,472	-	-	-	8,058,472	Bonds
Surat Perbendaharaan Negara (SPN)	-	-	-	-	-	SPN
Sukuk Bank Indonesia	-	-	-	-	-	Sukuk of Bank Indonesia
Sertifikat Bank Indonesia	317,412	-	-	-	317,412	Certificates of Bank Indonesia
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	-	-	-	-	-	Interbank Mudharabah Investment Certificate
Negotiable Certificate of Deposit	183,512	-	-	-	183,512	Negotiable Certificate of Deposit
Surat Utang Jangka Menengah Reksadana	205,187	-	-	-	205,187	Medium Term Notes
Surat Kredit Berdokumen Dalam Negeri	2,230,000	-	-	-	2,230,000	Mutual Funds
	19,664	-	-	-	19,664	Domestic L/C
	<u>14,666,737</u>	-	-	-	<u>14,666,737</u>	
Nilai wajar melalui pendapatan komprehensif lain						Fair value through other comprehensive income
Surat Utang Negara	3,744,097	-	-	-	3,744,097	Government's bonds
Biaya perolehan diamortisasi						Amortized cost
Giro pada Bank Indonesia	3,659,968	-	-	-	3,659,968	Currents account with Bank Indonesia
Giro pada Bank lain	237,715	-	-	-	237,715	Currents account with other bank
Penempatan pada Bank Indonesia dan bank lain	6,884,658	-	-	-	6,884,658	Placement with bank Indonesia and other bank
Tagihan reverse repo	12,573,044	-	-	-	12,573,044	Reverse repo receivables
Tagihan lainnya	131,932	-	-	-	131,932	Other receivables
Kredit yang diberikan dan pembiayaan syariah						Loans and sharia financing
Modal kerja	-	7,611,583	-	988,307	8,599,890	Working capital
Investasi	-	5,805,066	-	245,794	6,050,860	Investment
Konsumsi	-	26,405,232	-	424,784	26,830,016	Consumption
Pendapatan bunga yang masih akan diterima	-	555,020	-	-	555,020	Interest receivables
Total	<u>41,898,151</u>	<u>40,376,901</u>	-	<u>1,658,885</u>	<u>83,933,937</u>	Total
Cadangan kerugian penurunan nilai	-	(306,873)	-	(1,156,814)	(1,463,687)	Allowances for impairment losses
Neto	<u>41,898,151</u>	<u>40,070,028</u>	-	<u>502,071</u>	<u>82,470,250</u>	Net

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	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither st due nor impaired</i>	Tingkat tinggi/ <i>High grade</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>	Total/ <i>Total</i>	
Biaya perolehan diamortisasi							Amortized cost
Surat Utang Negara	3,412,881	-	-	-	-	3,412,881	Government's bonds
Obligasi	1,915,233	-	-	-	-	1,915,233	Bonds
Surat Perbendaharaan Negara (SPN)	297,606	-	-	-	-	297,606	SPN
Sertifikat Deposito Bank Indonesia	-	-	-	-	-	-	Deposit Certificates of Bank Indonesia
Sertifikat Bank Indonesia	1,351,147	-	-	-	-	1,351,147	Certificates of Bank Indonesia
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	200,000	-	-	-	-	200,000	Interbank Mudarabah Investment Certificate
Negotiable Certificate of Deposit	515,871	-	-	-	-	515,871	Negotiable Certificate of Deposit
Surat Utang Jangka Menengah	244,000	-	-	-	-	244,000	Medium Term Notes
Reksadana	1,609,000	-	-	-	-	1,609,000	Mutual Funds
Surat Kredit Berdokumen Dalam Negeri	11,955	-	-	-	-	11,955	Domestic L/C
Surat berharga yang dijual dengan janji dibeli kembali	1,038,432	-	-	-	-	1,038,432	Marketable securities sold under repurchased agreement
Wesel	187	-	-	-	-	187	Bill
	10,596,312	-	-	-	-	10,596,312	
Nilai wajar melalui pendapatan komprehensif lain							Fair value through other comprehensive income
Surat Utang Negara	10,365	-	-	-	-	10,365	Government's bonds
Biaya perolehan diamortisasi							Amortized cost
Giro pada Bank Indonesia	5,734,527	-	-	-	-	5,734,527	Currents account with Bank Indonesia
Giro pada Bank lain	111,479	-	-	-	-	111,479	Currents account with other bank
Penempatan pada Bank Indonesia dan bank lain	11,989,584	-	-	-	-	11,989,584	Placement with bank Indonesia and other bank
Surat berharga yang dibeli dengan janji dijual kembali	5,837,520	-	-	-	-	5,837,520	Marketable securities purchased under resale agreement
Tagihan lainnya	81,265	-	-	-	-	81,265	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	7,248,866	304,419	-	-	719,541	8,272,826	Working capital
Investasi	4,431,879	125,903	-	-	158,792	4,716,574	Investment
Konsumsi	24,944,800	235,693	-	-	182,407	25,362,900	Consumption
Pendapatan bunga yang masih akan diterima	-	416,420	-	-	-	416,420	Interest receivables
Total	70,986,597	1,082,435	-	-	1,060,740	73,129,772	Total
Cadangan kerugian penurunan nilai	(90,047)	(142,316)	-	-	(755,327)	(987,690)	Allowances for impairment losses
Neto	70,896,550	940,119	-	-	305,413	72,142,082	Net

Kualitas kredit didefinisikan sebagai berikut:

The credit quality are defined as follows:

Tingkat tinggi

- 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.
- 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

High grade

- 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.
- 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

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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).

40. 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.

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).*

40. 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

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Tabel di bawah ini merupakan rata-rata tingkat suku bunga kontraktual per tahun untuk aset dan liabilitas keuangan yang signifikan pada tanggal 31 Desember 2020 dan 2019:

The tables below summarize the average of contractual interest rates per annum for significant financial assets and liabilities as of December 31, 2020 and 2019:

		31 Desember/ December 31, 2020			
				Dolar Amerika Serikat/ United States Dollar	
		Rupiah %		Dollar %	
Aset					Assets
Giro pada Bank Indonesia	2.67%		0.00%		Current accounts with Bank Indonesia
Giro pada bank lain	0.06%		0.02%		Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	4.50%		0.00%		Placements with Bank Indonesia and other banks
Surat-surat berharga	6.36%		0.00%		Marketable securities
Surat berharga yang dijual dengan janji dibeli kembali	0.00%		0.00%		Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	4.43%		0.00%		Marketable securities purchased under resale agreement
Kredit yang diberikan dan pembiayaan syariah	0,75% - 21.57%		0.00%		Loans and sharia financing
Liabilitas					Liabilities
Simpanan dari nasabah	0,00% - 5,25%		0,00% - 0,60%		Deposits from customers
Simpanan dari bank lain	0,00% - 6,50%		-		Deposits from other banks
		31 Desember/ December 31, 2019			
				Dolar Amerika Serikat/ United States Dollar	
		Rupiah %		Dollar %	
Aset					Assets
Giro pada Bank Indonesia	2.00%		-		Current accounts with Bank Indonesia
Giro pada bank lain	0.09%		0.00%		Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	4,25% - 7,5%		0.00%		Placements with Bank Indonesia and other banks
Surat-surat berharga	5,30% - 10,0%		0.00%		Marketable securities
Surat berharga yang dijual dengan janji dibeli kembali	6.81%		0.00%		Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	5.13%		0.00%		Marketable securities purchased under resale agreement
Kredit yang diberikan	3,00% - 28.88%		0.00%		Loans
Liabilitas					Liabilities
Simpanan dari nasabah	0,00% - 8,75%		0,00% - 0,50%		Deposits from customers
Simpanan dari bank lain	0,00% - 6,75%		-		Deposits from other banks

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Tabel berikut mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (*gross*) yang mungkin berdampak kepada arus kas di masa depan pada tanggal 31 Desember 2020 dan 2019:

The table below summarizes the Bank's exposure to interest rate risk (*gross*) which may affect the future cash flows as of December 31, 2020 and 2019:

		31 Desember/ December 31, 2020					
		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
Aset keuangan							Financial assets
Kas		2,511,548	-	-	-	-	Cash
Giro pada Bank Indonesia		3,659,968	-	-	-	-	Current accounts with Bank Indonesia
Giro pada bank lain		237,715	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain		6,884,658	-	-	-	-	Placements with Bank Indonesia and other banks
Surat-surat berharga							Marketable securities
Biaya perolehan diamortisasi		2,934,990	711,974	7,275,676	-	-	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain		3,744,097	-	-	-	-	Fair value through other comprehensive income
Surat berharga dibeli dengan janji dijual kembali		12,573,044	-	-	-	-	Marketable securities purchased under resale agreement
Tagihan lainnya		131,932	-	-	-	-	Other receivable
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja		-	-	-	8,599,891	-	Working capital
Investasi		-	-	-	6,050,859	-	Investment
Konsumsi		-	-	-	26,830,016	-	Consumption
Pendapatan bunga yang masih akan diterima		14,213	26,898	513,909	-	-	Interest receivable
Total aset keuangan		32,692,165	738,872	7,789,585	41,480,766	-	Total financial assets
Liabilitas keuangan							Financial liabilities
Liabilitas segera		484,834	-	-	-	-	Obligations due immediately
Simpanan dari nasabah							Deposits from customers
Giro		21,129,415	-	-	-	-	Current accounts
Tabungan		22,874,298	-	-	-	-	Savings accounts
Deposito berjangka		-	-	-	24,464,567	-	Time deposits
Simpanan dari bank lain		2,853,044	2,560	-	-	-	Deposits from other banks
Pinjaman yang diterima		-	565,460	-	-	65,895	Borrowings
Beban yang masih harus dibayar		484,666	-	-	-	-	Accrued expenses
Liabilitas lain-lain		596,630	-	-	-	-	Other liabilities
Total liabilitas keuangan		48,422,887	568,020	-	24,464,567	65,895	Total financial liabilities
Gap repricing suku bunga, neto		(15,730,722)	170,852	7,789,585	17,016,199	(65,895)	Net interest repricing gap

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31 Desember/ December 31, 2019						
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	
Aset keuangan						Financial assets
Kas	2,729,776	-	-	-	2,729,776	Cash
Giro pada Bank Indonesia	5,734,527	-	-	-	5,734,527	Current accounts with Bank Indonesia
Giro pada bank lain	111,479	-	-	-	111,479	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	11,989,584	-	-	-	11,989,584	Placements with Bank Indonesia and other banks
Surat-surat berharga						Marketable securities
Biaya perolehan diamortisasi	5,518,010	1,523,242	2,511,454	-	9,552,706	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	10,365	-	-	-	10,365	Fair value through other comprehensive income
Surat berharga dijual dengan janji dibeli kembali	1,038,432	-	-	-	1,038,432	Marketable securities sold under repurchased agreement
Surat berharga dibeli dengan janji dijual kembali	5,837,520	-	-	-	5,837,520	Marketable securities purchased under resale agreement
Tagihan lainnya	81,265	-	-	-	81,265	Other receivable
Kredit yang diberikan dan pembiayaan syariah						Loans and sharia financing
Modal kerja	-	-	8,272,825	-	8,272,825	Working capital
Investasi	-	-	4,716,573	-	4,716,573	Investment
Konsumsi	-	-	25,362,902	-	25,362,902	Consumption
Pendapatan bunga yang masih akan diterima	11,712	26,464	378,244	-	416,420	Interest receivable
Total aset keuangan	33,062,670	1,549,706	2,889,698	38,352,300	75,854,374	Total financial assets
Liabilitas keuangan						Financial liabilities
Liabilitas segera	357,565	-	-	-	357,565	Obligations due immediately
Simpanan dari nasabah						Deposits from customers
Giro	23,825,878	-	-	-	23,825,878	Current accounts
Tabungan	22,223,639	-	-	-	22,223,639	Savings accounts
Deposito berjangka	-	-	14,496,355	-	14,496,355	Time deposits
Simpanan dari bank lain	2,887,870	560	-	-	2,888,430	Deposits from other banks
Pinjaman yang diterima	-	1,847,139	-	23,107	1,870,246	Borrowings
Beban yang masih harus dibayar	433,507	-	-	-	433,507	Accrued expenses
Liabilitas lain-lain	538,275	-	-	-	538,275	Other liabilities
Total liabilitas keuangan	50,266,734	1,847,699	-	23,107	66,633,895	Total financial liabilities
Gap repricing suku bunga, neto	(17,204,064)	(297,993)	2,889,698	23,855,945	9,220,479	Net interest repricing gap

Tabel berikut menunjukkan sensitivitas terhadap kemungkinan perubahan satu poin prosentase 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.

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2020	
	Kenaikan/ Increase	Penurunan/ Decrease	
Pengaruh terhadap laporan laba rugi dan penghasilan komprehensif lain	75,631	(75,631)	Impact to statement of profit or loss And other comprehensive income

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Bank memiliki eksposur terhadap risiko tingkat suku bunga dalam mata uang Dolar Singapura, Dolar Amerika Serikat, Euro dan lainnya.

The Bank has other exposure to interest rate risks in Singapore Dollar, United States Dollar, Euro and others.

Risiko nilai tukar adalah risiko nilai instrumen keuangan yang akan berfluktuasi karena adanya perubahan dalam nilai tukar valuta asing.

Foreign exchange risk is the risk on the financial instruments value, which will fluctuate due to exchange rate volatility.

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).

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).

Pada tanggal 31 Desember 2020 dan 2019, pengaruh nilai tukar mata uang asing tidak signifikan terhadap Bank.

As of December 31, 2020 and 2019, the effect of foreign exchange rates fluctuations is insignificant to the Bank.

41. RISIKO LIKUIDITAS

41. LIQUIDITY RISK

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.

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.

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).

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.

Rasio dari aset likuid neto terhadap simpanan nasabah adalah sebagai berikut:

The ratio of net liquid assets to deposits from customers are as follows:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Kas dan setara kas	13,293,889	20,453,366	Cash and cash equivalent
Surat berharga yang dijual dengan janji dibeli kembali	-	1,038,432	Marketable securities sold under purchased agreement
Tagihan reverse repo	12,573,044	5,837,520	Reverse repo receivables
Simpanan dari bank lain	(2,855,604)	(2,888,430)	Deposits from other banks
Total	23,011,329	24,440,888	Total
Simpanan dari nasabah	68,468,280	60,545,872	Deposits from customers
Rasio aset likuid neto terhadap simpanan dari nasabah	33.61%	40.37%	Ratio of net liquid assets to deposit from customers

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Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (pokok saja) pada tanggal 31 Desember 2020 dan 2019:

The following maturity tables provide information about the expected maturities within which financial assets and liabilities (principal only) as of December 31, 2020 and 2019:

	31 Desember/ December 31, 2020						
	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	
Aset keuangan							Financial assets
Kas	2,511,548	2,511,548	-	-	-	-	Cash
Giro pada Bank Indonesia	3,659,968	1,527,977	-	-	-	2,131,991	Current accounts with Bank Indonesia
Giro pada bank lain	237,715	237,715	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	6,884,658	5,823,489	2,000	578,304	480,865	-	Placements with Bank Indonesia and other banks
Surat-surat berharga							Marketable securities
Biaya perolehan diamortisasi	10,922,640	2,782,412	152,578	711,974	-	7,275,676	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	3,744,097	-	3,744,097	-	-	-	Fair value through other comprehensive income
Surat berharga dibeli dengan janji dijual kembali	12,573,044	-	-	12,571,486	1,558	-	Marketable securities purchased under resale agreement
Tagihan lainnya	131,932	131,932	-	-	-	-	Other receivable
Kredit yang diberikan pembiayaan syariah							Loans and sharia financing
Modal kerja	8,599,891	1,133,490	828,615	1,024,801	1,764,327	3,848,658	Working capital
Investasi	6,050,859	88,735	2,894	54,084	25,742	5,879,404	Investment
Konsumsi	26,830,016	22,028	33,275	60,973	259,096	26,454,644	Consumption
Pendapatan bunga yang masih akan diterima	555,020	61	14,152	13,564	13,334	513,909	Interest receivable
Total	95,278,377	26,416,520	5,022,213	15,190,440	2,544,922	46,104,282	Total
Liabilitas keuangan							Financial liabilities
Liabilitas segera	484,384	484,384	-	-	-	-	Obligations due immediately
Simpanan dari nasabah	68,468,280	18,730,556	8,245,590	1,350,984	3,359,959	36,781,191	Deposits from customers
Simpanan dari bank lain	2,855,604	2,746,074	106,970	1,560	1,000	-	Deposits from other banks
Pinjaman yang diterima	631,355	239,680	14,084	35,292	-	342,299	Borrowings
Beban yang masih harus dibayar	484,666	484,666	-	-	-	-	Accrued expenses
Liabilitas lain-lain	596,630	596,630	-	-	-	-	Other liabilities
Total	73,520,919	23,281,990	8,366,644	1,387,836	3,360,959	37,123,490	Total
Perbedaan jatuh tempo	21,757,458	3,134,530	(3,344,431)	13,802,604	(816,037)	8,980,792	Maturity gap

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	31 Desember/ December 31, 2019						
	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	
Aset keuangan							Financial assets
Kas	2,729,776	2,729,776	-	-	-	-	Cash
Giro pada Bank Indonesia	5,734,527	354,347	-	-	-	5,380,180	Current accounts with Bank Indonesia
Giro pada bank lain	111,479	111,479	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	11,989,584	10,940,567	1,049,017	-	-	-	Placements with Bank Indonesia and other banks
Surat-surat berharga							Marketable securities
Biaya perolehan diamortisasi	9,557,880	2,572,907	2,948,092	306,494	1,217,573	2,512,814	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	10,365	10,365	-	-	-	-	Fair value through other comprehensive income
Surat berharga dijual dengan janji dibeli kembali	1,038,432	1,038,432	-	-	-	-	Marketable securities sold under repurchased agreement
Surat berharga dibeli dengan janji dijual kembali	5,837,520	5,837,520	-	-	-	-	Marketable securities purchased under resale agreement
Tagihan lainnya	81,265	81,265	-	-	-	-	Other receivable
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	8,272,825	764,378	706,268	1,236,377	1,536,362	4,029,440	Working capital
Investasi	4,716,573	63,336	5,623	13,542	27,585	4,606,487	Investment
Konsumsi	25,362,902	5,320	8,058	47,130	244,604	25,057,790	Consumption
Pendapatan bunga yang masih akan diterima	416,420	82	11,630	15,110	11,354	378,244	Interest receivable
Total	75,859,548	24,509,774	4,728,688	1,618,653	3,037,478	41,964,955	Total
Liabilitas keuangan							Financial liabilities
Liabilitas segera	357,565	357,565	-	-	-	-	Obligations due immediately
Simpanan dari nasabah	60,545,872	14,045,814	3,735,547	2,391,032	3,851,073	36,522,406	Deposits from customers
Simpanan dari bank lain	2,888,430	2,575,500	312,370	60	500	-	Deposits from other banks
Pinjaman yang diterima	1,870,246	1,328,313	3,144	2,729	118,205	417,855	Borrowings
Beban yang masih harus dibayar	433,507	433,507	-	-	-	-	Accrued expenses
Liabilitas lain-lain	538,275	538,275	-	-	-	-	Other liabilities
Total	66,633,895	19,278,974	4,051,061	2,393,821	3,969,778	36,940,261	Total
Perbedaan jatuh tempo	9,225,653	5,230,800	677,627	(775,168)	(932,300)	5,024,694	Maturity gap

42. 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.

Metode dan kebijakan dalam pengendalian risiko operasional dilaksanakan diantaranya melalui:

- Pengkajian terhadap kebijakan, pedoman, dan prosedur pengendalian internal sesuai dengan kondisi perkembangan dunia perbankan, kebijakan pemerintah dan limitasi operasional yang telah ditetapkan;

42. 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.

The methods and policies involving operational risk management are performed, among others, through the following:

- Evaluation of internal control policies, guidance, and procedures in accordance with the banking industry development, government policies, and pre-determined operational limits;

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- 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;
- iv. Pengkajian dari penerapan Rencana Kontinjensi Usaha dalam pengelolaan dan pengendalian aktivitas Bank.

- 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;*
- iv. *Reviewing the implementation of the Business Contingency Plan in the management and control of the Bank's activities.*

43. 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.

43. 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.

44. 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.

44. 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.

45. RISIKO KEPATUHAN

Risiko kepatuhan adalah risiko yang terjadi karena Bank tidak mematuhi dan/atau tidak melaksanakan ketentuan internal dan peraturan perundang-undangan. Pada prakteknya, 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);
- (iii) Risiko lain yang terkait dengan ketentuan eksternal dan internal.

45. 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;*
- (iii) *Other risks related to external and internal regulations.*

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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*.

46. RISIKO STRATEGIK

Risiko strategik adalah risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan strategik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis. Identifikasi risiko strategik dilakukan secara berkala sesuai dengan pengalaman kerugian dimasa lalu yang disebabkan oleh risiko strategik. Pengendalian risiko strategik dilakukan melalui monitoring pencapaian/realisasi atas anggaran yang sudah ditetapkan secara berkala dan dilanjutkan dengan mitigasi dari faktor-faktor penyebab kegagalan.

47. 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.

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.

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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.

46. 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.

47. 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.

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.

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Otoritas Jasa Keuangan (OJK) menentukan dan mengawasi kebutuhan modal Bank. Bank diwajibkan untuk mentaati 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.
- 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 konsolidasi dengan entitas anak.

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.
- 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 consolidated level with subsidiary.

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- 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.

Aset Tertimbang Menurut Risiko ("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.

Penyediaan modal minimum sebagaimana dimaksud ditetapkan sebagai berikut:

- a. Untuk profil risiko peringkat 1 (satu), modal minimum terendah yang wajib dimiliki adalah 8% dari Aset Tertimbang Menurut Risiko;
- b. Untuk profil risiko peringkat 2 (dua), modal minimum terendah yang wajib dimiliki adalah 9% sampai dengan kurang dari 10% dari Aset Tertimbang Menurut Risiko;

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- 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.

The Bank's risk weighted assets ("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.

Minimum capital requirements are as follows:

- a. For banks with risk profile rating 1 (one), the minimum capital requirement is 8% of Risk Weighted Asset;
- b. For banks with risk profile rating 2 (two), the minimum capital requirement is 9% to less than 10% of Risk Weighted Asset;

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- c. Untuk profil risiko peringkat 3 (tiga), modal minimum terendah yang wajib dimiliki adalah 10% sampai dengan kurang dari 11% dari Aset Tertimbang Menurut Risiko;
- d. 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.

- c. For banks with risk profile rating 3 (three), the minimum capital requirement is 10% to less than 11% of Risk Weighted Asset;

- d. 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.

Posisi modal yang diwajibkan regulator Bank sesuai peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

The Bank's regulatory capital position under prevailing Bank Indonesia regulation as of December 31, 2020 and 2019 are as follows:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Modal inti (Tier 1)			Core capital (Tier 1)
Modal inti utama (CET 1)	8,411,757	7,617,005	Common equity tier (CET 1)
Modal inti tambahan (AT 1)	-	-	Additional equity tier (AT 1)
	8,411,757	7,617,005	
Modal pelengkap (Tier 2)	414,072	380,171	Supplementary capital (Tier 2)
Total modal	8,825,829	7,997,176	Total capital
Aset Tertimbang Menurut Risiko			Risk Weighted Asset
Risiko kredit	32,711,702	30,033,543	Credit risk
Risiko operasional	7,978,478	7,543,287	Operational risk
Risiko pasar	85,830	98,829	Market risk
Total Aset Tertimbang Menurut Risiko	40,776,010	37,675,659	Total Risk Weighted Asset
Rasio kecukupan modal			Capital Adequacy Ratio
Rasio CET 1	20.63%	20.22%	CET 1 ratio
Rasio tier 1	20.63%	20.22%	Tier 1 ratio
Rasio tier 2	1.02%	1.01%	Tier 2 ratio
Rasio modal terhadap ATMR	21.64%	21.23%	Ratio of capital to ATMR
Rasio kewajiban penyediaan modal minimum untuk risiko kredit dan risiko operasional	21.70%	21.28%	Capital adequacy ratio with credit and operational risk
Rasio kewajiban penyediaan modal minimum untuk risiko kredit, risiko pasar dan risiko operasional	21.64%	21.23%	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

Otoritas Jasa Keuangan (OJK) berwenang menetapkan modal minimum lebih besar dari modal minimum dalam hal OJK menilai suatu bank menghadapi potensi kerugian yang membutuhkan modal lebih besar.

Financial Services Authority (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.

Berdasarkan *self-assessment* Bank, pada tanggal 31 Desember 2020 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 21,64%.

Based on its *self-assessment*, as of March 30, 2020 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 21.64%, which was higher than the required minimum provision of capital.

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48. 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 2020 dan 2019 adalah sebagai berikut:

48. 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, 2020 and 2019 are as follows:

		31 Desember/ December 31, 2020					
		Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value		
Mata uang						Currencies	
POSISI KEUANGAN						FINANCIAL POSITION	
Dolar Amerika Serikat	101,040	104,653	(3,613)	3,613		United States Dollar	
Euro	3,487	259	3,228	3,228		Euro	
Yen Jepang	1,836	8	1,828	1,828		Japanese Yen	
Riyal Saudi Arabia	8,287	1	8,286	8,286		Saudi Arabian Riyal	
Dolar Singapura	8,446	3,246	5,200	5,200		Singapore Dollar	
Poundsterling Inggris Raya	1,507	-	1,507	1,507		Great Britain Poundsterling	
Dolar Australia	1,744	-	1,744	1,744		Australian Dollar	
Dolar Hong Kong	684	19	665	665		Hong Kong Dollar	
Ringgit Malaysia	10,207	-	10,207	10,207		Malaysian Ringgit	
Yuan China Renminbi	1,060	-	1,060	1,060		Chinese Yuan Renminbi	
	138,298	108,186	30,112	37,338			
REKENING ADMINISTRATIF						ADMINISTRATIVE ACCOUNTS	
Dolar Amerika Serikat	-	42,150	(42,150)	42,150		United States Dollar	
Euro	-	-	-	-		Euro	
Total	138,298	150,336	(12,038)	79,488		Total	
Total modal (Catatan 47)					8,825,829	Total capital (Note 47)	
Rasio Posisi Devisa Neto (Posisi keuangan)					0.42%	Net Open Position as a percentage of capital (Financial position)	
Rasio Posisi Devisa Neto					0.90%	Net Open Position as a percentage of capital	

		31 Desember/ December 31, 2019					
		Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value		
Mata uang						Currencies	
POSISI KEUANGAN						FINANCIAL POSITION	
Dolar Amerika Serikat	91,521	84,846	6,675	6,675		United States Dollar	
Euro	2,720	717	2,003	2,003		Euro	
Yen Jepang	1,272	7	1,265	1,265		Japanese Yen	
Riyal Saudi Arabia	8,422	1	8,421	8,421		Saudi Arabian Riyal	
Dolar Singapura	10,015	4,688	5,327	5,327		Singapore Dollar	
Poundsterling Inggris Raya	1,181	-	1,181	1,181		Great Britain Poundsterling	
Dolar Australia	547	-	547	547		Australian Dollar	
Dolar Hong Kong	607	1	606	606		Hong Kong Dollar	
Ringgit Malaysia	1,324	-	1,324	1,324		Malaysian Ringgit	
Yuan China Renminbi	525	-	525	525		Chinese Yuan Renminbi	
	118,134	90,260	27,874	27,874			
REKENING ADMINISTRATIF						ADMINISTRATIVE ACCOUNTS	
Dolar Amerika Serikat	-	-	81,341	81,341		United States Dollar	
Euro	-	-	-	-		Euro	
Total	118,134	90,260	109,215	109,215		Total	
Total modal (Catatan 47)					7,997,176	Total capital (Note 47)	
Rasio Posisi Devisa Neto (Posisi keuangan)					0.35%	Net Open Position as a percentage of capital (Financial position)	
Rasio Posisi Devisa Neto					1.37%	Net Open Position as a percentage of capital	

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49. 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 2020 dan 2019:

	31 Desember/ December 31, 2020		31 Desember / December 31, 2019	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
Aset Keuangan				
Kas	2,511,548	2,511,548	2,729,776	2,729,776
Surat Berharga				
Nilai wajar melalui pendapatan komprehensif lain				
Surat Utang Negara	3,744,097	3,744,097	10,365	10,365
Biaya perolehan diamortisasi				
Surat Utang Negara	5,387,370	5,387,370	3,710,487	3,744,158
Obligasi:				
PT Sarana Multigriya Finansial (Persero)	351,240	351,240	294,085	298,458
PT Sarana Multi Infrastruktur (Persero)	127,037	127,037	250,166	251,118
PT Federal International Finance Tbk	-	-	187,125	188,131
PT Perusahaan Listrik Negara (Persero)	92,009	92,009	160,189	161,462
PT BFI Finance Tbk	-	-	160,008	160,347
PT Astra Sedaya Finance	100,000	100,000	150,000	150,992
PT Pupuk Indonesia (Persero)	152,093	152,093	123,440	124,168
PT Medco Energi Internasional Tbk	37,500	37,500	82,500	84,311
PT Indosat Tbk	55,015	55,015	75,034	75,872
PT BCA Finance	75,000	75,000	75,000	75,309
PT Bank Rakyat Indonesia (Persero) Tbk	66,000	66,000	66,000	66,239
PT Pembangunan Perumahan (Persero) Tbk	57,000	57,000	57,000	57,038
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	50,000	50,000	50,000	51,157
PT Bank Mandiri (Persero) Tbk	17,000	17,000	49,408	52,646
PT Pegadaian (Persero)	227,691	227,691	47,027	47,286
PT Bank Maybank Indonesia Tbk	-	-	25,000	25,145
PT Wahana Ottomitra Multiartha Tbk	-	-	25,000	25,079
PT Adira Dinamika Multi Finance Tbk	-	-	20,000	20,133
PT Bank Tabungan Negara (Persero) Tbk	30,618	30,618	10,084	10,088
PT Angkasa Pura I (Persero)	50,574	50,574	8,167	8,140
PT Angkasa Pura II (Persero)	50,530	50,530	-	-
PT Bank Danamon Indonesia Tbk	30,708	30,708	-	-
PT Semen Indonesia Persero	172,423	172,423	-	-
PT XL Axiata	25,229	25,229	-	-
PT Bank DKI	5,071	5,071	-	-
PT Bank SulaSelbar	10,152	10,152	-	-
PT Bank BNI Tbk	30,755	30,755	-	-
PT Telekomunikasi Indonesia Tbk	38,561	38,561	-	-
PT Bank Panin	45,612	45,612	-	-
PT Bank CIMB Niaga Tbk	80,785	80,785	-	-
PT Waskita Karya (Persero) Tbk	-	-	-	-
PT Intiland Development Tbk	-	-	-	-
PT Mandiri Tunas Finance Tbk	31,670	31,670	-	-
PT Jasa Marga (Persero) Tbk	55,000	55,000	-	-
PT Indofood Sukses Makmur Tbk	41,957	41,957	-	-
PT Bank Mandiri Taspen	30,263	30,263	-	-
Sertifikat Bank Indonesia	-	-	1,351,147	1,370,829
Sukuk Bank Indonesia	317,412	317,412	-	-

49. 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, 2020 and 2019:

	31 Desember / December 31, 2019		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Financial Assets			
Cash			
Securities			
Fair value through other comprehensive income			
Government bonds			
Amortized cost			
Government bonds			
Bonds:			
PT Sarana Multigriya Finansial (Persero)			
PT Sarana Multi Infrastruktur (Persero)			
PT Federal International Finance Tbk			
PT Perusahaan Listrik Negara (Persero)			
PT BFI Finance Tbk			
PT Astra Sedaya Finance			
PT Pupuk Indonesia (Persero)			
PT Medco Energi Internasional Tbk			
PT Indosat Tbk			
PT BCA Finance			
PT Bank Rakyat Indonesia (Persero) Tbk			
PT Pembangunan Perumahan (Persero) Tbk			
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk			
PT Bank Mandiri (Persero) Tbk			
PT Pegadaian (Persero)			
PT Bank Maybank Indonesia Tbk			
PT Wahana Ottomitra Multiartha Tbk			
PT Adira Dinamika Multi Finance Tbk			
PT Bank Tabungan Negara (Persero) Tbk			
PT Angkasa Pura I (Persero)			
PT Angkasa Pura II (Persero)			
PT Bank Danamon Indonesia Tbk			
PT Semen Indonesia Persero			
PT XL Axiata			
PT Bank DKI			
PT Bank SulaSelbar			
PT Bank BNI Tbk			
PT Telekomunikasi Indonesia Tbk			
PT Bank Panin			
PT Bank CIMB Niaga Tbk			
PT Waskita Karya (Persero) Tbk			
PT Intiland Development Tbk			
PT Mandiri Tunas Finance Tbk			
PT Jasa Marga (Persero) Tbk			
PT Indofood Sukses Makmur Tbk			
PT Bank Mandiri Taspen			
Certificates of Bank Indonesia			
Bank Indonesia Sukuk			

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	31 Desember/ December 31,		31 Desember / December 31,		
	2020		2019		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Sertifikat Investasi Mudharabah Antarbank (SIMA):					Interbank Mudharabah Investment Certificates:
PT Bank Pembangunan Daerah Jawa Tengah	200,000	200,000	100,000	100,000	PT Bank Pembangunan Daerah Jawa Tengah
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	45,000	45,000	100,000	100,000	PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara
PT BPD Sumsel Babel	-	-	-	-	PT BPD Sumsel Babel
PT Bank BRI Syariah	70,000	70,000	-	-	PT Bank BRI Syariah
Negotiable Certificate of Deposit (NCD):					Negotiable Certificate of Deposit:
PT Bank Pembangunan Daerah Jawa Tengah	-	-	248,135	250,000	PT Bank Pembangunan Daerah Jawa Tengah
PT Bank Of Tokyo - Mitsubishi UFJ Ltd	93,863	93,863	168,991	170,000	PT Bank Of Tokyo - Mitsubishi UFJ Ltd
PT Mandiri Taspen	-	-	49,463	50,000	PT Mandiri Taspen
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	-	-	49,282	50,000	PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara
PT Bank Tabungan Negara (Persero) Tbk	-	-	-	-	PT Bank Tabungan Negara (Persero) Tbk
PT Bank Woori Saudara 1906 Tbk	-	-	-	-	PT Bank Woori Saudara 1906 Tbk
PT Bank DKI	-	-	-	-	PT Bank DKI
PT Bank Mizuho Indonesia	-	-	-	-	PT Bank Mizuho Indonesia
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	-	-	-	-	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
PT Commonwealth Bank Indonesia	89,650	89,650	-	-	PT Commonwealth Bank Indonesia
PT Bank DBS Indonesia	-	-	-	-	PT Bank DBS Indonesia
Surat Berharga Jangka Menengah :					Medium Term Notes:
PT Kimia Farma (Persero) Tbk	80,000	80,000	80,000	80,000	PT Kimia Farma (Persero) Tbk
PT Bank KEB Hana Indonesia	-	-	50,000	50,000	PT Bank KEB Hana Indonesia
PT Telekomunikasi Indonesia Tbk	13,188	13,188	50,000	50,000	PT Telekomunikasi Indonesia Tbk
PT Bank Danamon Indonesia Tbk	-	-	39,000	39,000	PT Bank Danamon Indonesia Tbk
PT Bank Sumitomo Mitsui Indonesia	-	-	25,000	25,000	PT Bank Sumitomo Mitsui Indonesia
PT Indonesia Infrastructure Finance	-	-	-	-	PT Indonesia Infrastructure Finance
Reksadana:					Reksadana:
PT Permodalan Nasional Madani	619,000	619,000	709,000	709,000	PT Permodalan Nasional Madani
PT Gemilang Indonesia Manajemen Investasi	100,000	100,000	400,000	400,000	PT Gemilang Indonesia Manajemen Investasi
PT Pool Advista Aset Manajemen	-	-	300,000	300,000	PT Pool Advista Aset Manajemen
PT Danareksa Investment Management	250,000	250,000	100,000	100,000	PT Danareksa Investment Management
PT Avrist Asset Management	500,000	500,000	100,000	100,000	PT Avrist Asset Management
PT Trimegah Asset Management	150,000	150,000	-	-	PT Trimegah Asset Management
PT Bahana TCW Investment Management	200,000	200,000	-	-	PT Bahana TCW Investment Management
PT BNI Asset Management	200,000	200,000	-	-	PT BNI Asset Management
PT RHB Sekuritas	200,000	200,000	-	-	PT RHB Sekuritas
PT Insight Investment Management	250,000	250,000	-	-	PT Insight Investment Management
Surat Kredit Berdokumen Dalam Negeri	19,664	19,664	11,955	11,955	Domestic L/C
Wesel ekspor	-	-	187	187	Export bills
	14,666,737	14,666,737	9,568,245	9,643,614	

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	31 Desember/ December 31, 2020		31 Desember / December 31, 2019		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Biaya perolehan diamortisasi					Amortised cost
Giro pada Bank Indonesia	3,659,968	3,659,968	5,734,527	5,734,527	Current accounts with Bank Indonesia
Giro pada Bank lain	237,715	237,715	111,479	111,479	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	6,884,658	6,884,658	11,989,584	11,989,584	Placement with Bank Indonesia and other banks
Tagihan reverse repo	12,573,044	12,573,044	5,837,520	5,837,520	Reverse repo receivables
Tagihan lainnya	131,932	131,932	81,265	81,265	Other receivables
Kredit yang diberikan dan pembiayaan syariah					Loans and sharia financing
Modal kerja	8,599,891	8,599,891	8,272,825	8,272,826	Working capital
Investasi	6,050,859	6,050,859	4,716,573	4,716,573	Investment
Konsumsi	26,830,016	26,830,016	25,362,902	25,362,902	Consumption
Pendapatan bunga yang masih akan diterima	555,020	555,020	416,420	416,420	Interest receivables
Total	65,523,103	65,523,103	62,523,095	62,523,096	Total
Liabilitas keuangan					Financial liabilities
Liabilitas lain-lain					Other liabilities
Liabilitas segera	484,834	484,834	357,565	357,565	Obligations due immediately
Simpanan nasabah	68,468,280	68,468,280	60,545,872	60,545,872	Deposits from customers
Simpanan dari bank lain	2,855,604	2,855,604	2,888,430	2,888,430	Deposits from other banks
Pinjaman yang diterima	631,355	631,355	1,870,246	1,870,246	Borrowings
Beban yang masih harus dibayar	484,666	484,666	433,507	433,507	Accrued expenses
Liabilitas lain-lain	596,630	596,630	538,275	538,275	Other liabilities
Total	73,521,369	73,521,369	66,633,895	66,633,895	Total

- (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 satu tahun, sehingga nilai tercatat dari penempatan dengan suku bunga tetap, surat-surat berharga dan tagihan lainnya adalah perkiraan yang layak atas nilai wajar.

- (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.

- (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 one year, the carrying amount of fixed rate placements, marketable securities and other receivables are reasonable estimates of fair value.

- (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.

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- (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.

- (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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50. 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 pensiun sebesar 5% dari penghasilan dasar pension pekerja dan sisanya merupakan kontribusi Bank.

- (i) Penilaian aktuarial atas beban pensiun per 31 Desember 2020 dan 2019 dilakukan oleh PT Dian Artha Tama dan PT Dian Artha Tama, aktuaris independen, berdasarkan laporannya tanggal 2 Maret 2021 dan 15 Januari 2020 telah sesuai dengan PSAK 24 (revisi 2013) dengan menggunakan metode *Projected Unit Credit* serta mempertimbangkan asumsi-asumsi sebagai berikut:

	31 Desember/ 31 December 2020	31 Desember/ 31 December 2019	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.20%	8.00%	Discount rate
Tingkat kenaikan penghasilan dasar pensiun	0.00%	0.00%	Pension basic income growth
Tingkat bunga imbal hasil investasi aset	7.20%	8.00%	Investment yield of plan asset
Asumsi lainnya			Other assumptions
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:	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/		Retirement rate per year for ages:
Usia 18-45 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

- (ii) Komposisi aset dana pensiun, terdiri dari:

- (iii) Pension plan assets primarily consists of:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
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

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- (iv) Perhitungan kewajiban program pensiun manfaat pasti yang diakui di dalam laporan posisi keuangan adalah sebagai berikut:

	2020	2019	2018	2017	2016	
Nilai kini kewajiban	868,937	738,556	335,681	461,161	390,741	Present value of liabilities
Nilai wajar aset program	(662,634)	(533,439)	(429,961)	(510,349)	(447,735)	Fair value of assets program
Status pendanaan	206,303	205,117	(94,280)	(49,188)	(56,994)	Funded status
Perubahan dampak batas atas aset	-	-	(45,092)	7,806	19,063	Impact changes on assets upper threshold
Liabilitas (Aset) imbalan pasti - neto	<u>206,303</u>	<u>205,117</u>	<u>(139,372)</u>	<u>(41,382)</u>	<u>(37,931)</u>	Liabilities (Assets) defined benefit - net

- (iii) The calculation of defined benefit pension plan obligations recognized in the statement of financial position are as follows:

- (v) Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Aset imbalan pasti			Asset defined benefit
neto awal tahun	205,117	(94,280)	net at beginning of year
Penyesuaian saldo awal	-	94,280	Beginning balance adjustment
Biaya imbalan pasti:			Expenses for the year:
Jumlah yang diakui dalam laba rugi	34,044	18,785	Amount recognized in the profit and losses
Pengukuran kembali liabilitas (aset)			Remeasurement of liabilities (assets) in the
periode berjalan	(15,781)	198,641	current year
Pembayaran iuran dari pendiri	<u>(17,077)</u>	<u>(12,309)</u>	Paid of contribution from employee
liabilitas imbalan pasti neto	<u>206,303</u>	<u>205,117</u>	Liabilities defined benefit - net

- (iv) The calculation movement of defined benefit pension plan obligations are as follows:

- (vi) Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam laporan laba rugi adalah sebagai berikut:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Biaya jasa kini	21,569	22,637	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	59,084	28,869	Interest cost
Pendapatan bunga dari aset	(42,675)	(36,977)	Interest income from assets
Bunga atas dampak batasan aset	-	8,108	Interest of the asset ceiling
Iuran peserta	<u>(3,934)</u>	<u>(3,851)</u>	Paid of contribution from employee
Biaya imbalan kerja yang diakui di laporan laba rugi	<u>34,044</u>	<u>18,786</u>	Recognized employee benefit cost on statement of profit or loss

- (v) The calculation of defined benefit pension plan expenses recognized in the statement of profit or loss are as follows:

- (vii) Mutasi atas nilai wajar aset program adalah sebagai berikut:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Saldo awal	533,439	429,961	Beginning balance
Hasil pengembangan riil	42,675	36,977	Actual investment result
Imbalan hasil atas aset program	98,612	73,579	Return on plan assets
Pembayaran iuran-iuran – pemberi kerja	17,077	12,309	Contribution paid – employer's
Pembayaran iuran-iuran – peserta program	3,934	3,851	Contribution paid – employee plan
Pembayaran imbalan kerja	<u>(33,103)</u>	<u>(23,238)</u>	Actual benefit paid
Saldo akhir	<u>662,634</u>	<u>533,439</u>	Ending balance

- (vi) The movement in the fair value of plan asset are as follows:

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- (viii) Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut :

	31 Desember/ December 31, 2020
Keuntungan (kerugian) aktuarial pada kewajiban	82,830
Keuntungan (kerugian) aktuarial pada aset	(98,611)
Perubahan pada dampak batasan aset tidak termasuk bunga	-
Biaya yang diakui di penghasilan komprehensif lain	(15,781)

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.

- (i) Penilaian aktuarial atas beban pensiun dihitung oleh PT Dian Artha Tama untuk tanggal valuasi per 31 Desember 2020 dan 2019. Penilaian aktuarial telah sesuai dengan PSAK 24 (revisi 2016) dengan menggunakan metode *projected unit credit* serta mempertimbangkan asumsi-asumsi sebagai berikut:

- (vii) The calculation of defined benefit pension plan expenses recognized in the other comprehensive income are as follows:

	31 Desember/ December 31, 2019	
	374,608	Actuarial gain (losses) on obligation
	(73,579)	Actuarial gain (losses) on asset
	(102,388)	Amandement of impact on assets exclude interest
	198,641	Recognized cost in other comprehensive income

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.

- (i) Actuarial valuation on pension expense is calculated by PT Dian Artha Tama for the valuation date as of December 31, 2020 and 2019. Actuarial valuation is in accordance with PSAK 24 (revised 2016) using the projected unit credit method and considering the following assumptions:

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	31 Desember/ 31 December 2020	31 Desember/ 31 December 2019	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.20%	8.00%	Discount rate
Tingkat kenaikan penghasilan dasar pensiun	0.00%	0.00%	Pension basic income growth
Tingkat bunga imbal hasil investasi aset	7.20%	8.00%	Investment yield of plan asset
Asumsi lainnya			Other assumptions
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:	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		Retirement rate per year for ages:
Usia 18-45 tahun			18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old
(ii) Komposisi aset dana pensiun, terdiri dari:			(ii) Composition of pension fund assets, consisting of:
	31 Desember/ December 31,		
	2020	2019	
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 lain yang diakui di dalam laporan posisi keuangan adalah sebagai berikut:			(iii) Calculation of other benefit pension plan obligations recognized in the financial position report are as follows:
	31 Desember/ December 31,		
	2020	2019	
Nilai kini kewajiban	202,233	146,753	Present value of liabilities
Nilai wajar aset program	(194,588)	(59,030)	Fair value of assets program
Defisit liabilitas	7,645	87,723	Loss of liabilities
Nilai kini kewajiban yang tidak didanai	-	-	Present value of liabilities that are not funded
Biaya jasa lalu yang belum diakui	-	-	Unrecognised past service costs
Laba (rugi) aktuarial yang belum diakui	-	-	Unrecognised actuarial profit (loss)
Cadangan	7,645	87,723	Allowance
(iv) Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:			(iv) The mutations of the defined benefit pension plan obligations are as follows:
	31 Desember/ December 31,		
	2020	2019	
Liabilitas (aset) imbalan pasti neto awal tahun	(87,723)	(29,372)	Liabilities (asset) defined benefit net at beginning of year
Biaya imbalan pasti:			Expenses for the year:
Jumlah yang diakui dalam laba rugi	(11,934)	(4,856)	Amount recognized in the profit and losses
Pengukuran kembali liabilitas (aset) periode berjalan	76,847	(56,589)	Remeasurement of liabilities (assets) in the current year
Pembayaran iuran dari pendiri	15,165	3,094	Paid of contribution from employee
Liabilitas imbalan pasti neto	(7,645)	(87,723)	Liabilities defined benefit - net
(v) Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam Laporan Laba Rugi adalah sebagai berikut:			(v) The calculation of the cost of a defined benefit pension plan recognized in the Income Statement is as follows:

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	31 Desember/ December 31,		
	2020	2019	
Biaya jasa kini	4,916	2,330	Current service cost
Biaya jasa lalu - vested	-	-	Past service cost - vested
Biaya jasa lalu - amandemen program	-	-	Past service cost - program amendment
Keuntungan/kerugian atas penyelesaian	-	-	Gain/losses on settlement
Bunga neto atas liabilitas (aset) imbalan:			Net interest on liabilities (asset) defined:
Biaya bunga	11,740	10,040	Interest cost
Pendapatan bunga dari aset	(4,722)	(7,514)	Interest income from assets
Bunga atas dampak batasan aset	-	-	Interest of the asset ceiling
Biaya imbalan kerja yang diakui di laporan laba rugi	11,934	4,856	Recognized employee benefit cost on statement of profit or loss

(vi) Mutasi atas nilai wajar aset program adalah sebagai berikut:

(vi) The movement in the fair value of plan asset are as follows:

	31 Desember/ December 31,		
	2020	2019	
Saldo awal	59,030	87,376	Beginning balance
Hasil yang diharapkan dari aset	4,722	7,514	Results expected from assets
Pembayaran iuran-iuran – pemberi kerja	15,165	3,094	Payment of contributions - employers
Pembayaran iuran-iuran – peserta program	-	-	Payment of contributions - program participants
Pembayaran imbalan kerja	(45,597)	(862)	Payment of employee benefits
Laba (rugi) aktuarial pada aset	161,268	(38,092)	Actuarial gain (loss) on assets
Saldo akhir	194,588	59,030	Ending balance

(vii) Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut:

(vii) The calculation of the cost of a defined benefit pension plan recognized in other comprehensive income is as follows:

	31 Desember / December 31		
	2020	2019	
Keuntungan (kerugian) aktuarial pada kewajiban	84,421	18,497	Actuarial gains (losses) on liabilities
Keuntungan aktuarial pada aset	(161,268)	38,092	Actuarial gains on assets
Diakui di penghasilan komprehensif lain	(76,847)	56,589	Recognised in other comprehensive income

(viii) Pengukuran kembali atas liabilitas (aset) program pensiun manfaat pasti adalah sebagai berikut:

(viii) Measurement of return on liabilities (assets) defined benefit pension plans is as follows:

	31 Desember / December 31		
	2020	2019	
Saldo awal	56,589	-	Beginning balance
(Keuntungan) kerugian aktuarial pada kewajiban	84,421	18,497	Actuarial (gains) losses on liabilities
(Keuntungan) kerugian aktuarial pada aset	(161,268)	38,092	Actuarial (gains) losses on assets
Jumlah pengukuran kembali atas aset imbalan pasti neto	(20,258)	56,589	Amount of re-measurement of net defined benefit assets

Program pensiun iuran pasti

Bank juga memiliki program pensiun imbalan 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.

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.

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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.

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.

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.

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.

Beban pensiun iuran pasti yang dibebankan pada laporan laba rugi adalah sebesar Rp29.673 dan sebesar Rp24.223 masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2018 dan 2017.

Defined contribution pension expense that is recorded to profit and loss amounted to Rp29,673 and Rp24,223 for the year ended December 31, 2018 and 2017, respectively.

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), diluar uang penggantian imbalan yang berkaitan dengan cuti tahunan, ongkos pulang ketempat dimana pegawai diterima bekerja.

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) Penilaian aktuaria atas program selisih 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 2019 dan 2018, dilakukan oleh PT Dian Artha Tama dengan menggunakan metode *Projected Unit Credit* sebagaimana yang dijelaskan dalam laporan aktuaris pada tanggal 15 Januari 2020 dan 4 Januari 2019 yaitu sebagai berikut:

(i) *The actuarial calculations of difference program Labour Law No.13/2003 and defined contribution pension based on contribution Bank to Dana Pensiun Lembaga Keuangan (DPLK) for the year ended 31 Desember 2019 and 2018 were prepared by a registered actuarial consulting firm, PT Dian Artha Tama, using the "Projected Unit Credit" method as discussed an independent actuary report dated January 15, 2020 and January 4, 2019, are as follows:*

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

Key assumptions used in the actuarial calculation are as follows:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.20%	8.00%	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	AMT 1949 (Modified)	AMT 1949 (Modified)	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:	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		Retirement rate per year for ages:
Usia 18-45 tahun			18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

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- (ii) Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	31 Desember/ December 31, 2020
Biaya jasa kini	5,599
Biaya bunga neto	8,439
Biaya yang dibebankan pada laporan laba rugi	14,038

- (ii) The employee benefit expenses recognized in profit or loss, are as follows:

	31 Desember/ December 31, 2019	
	5,268	Current service cost
	6,171	Interest cost net
	11,439	Expense recognized in statement of profit or loss

- (iii) Rekonsiliasi atas perubahan (aset) liabilitas imbalan pasca kerja selama tahun berjalan adalah sebagai berikut:

	31 Desember/ December 31, 2020
Saldo awal	105,492
Beban tahun berjalan	14,038
Pengukuran kembali imbalan kerja - neto	(2,711)
Pembayaran imbalan	(8,022)
Saldo akhir	108,797

- (iv) Following are the reconciliation of the movements of employee benefit (assets) liabilities during the years:

	31 Desember/ December 31, 2019	
	71,755	Beginning balance
	11,439	Current service cost
	24,448	Interest cost
	(2,150)	Actual benefit paid
	105,492	Ending balance

- (iv) Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	31 Desember/ December 31, 2020
Saldo awal	105,492
Biaya jasa kini	8,439
Biaya bunga	5,599
Pembayaran imbalan	(8,022)
Keuntungan (kerugian) aktuarial pada kewajiban	(2,711)
Saldo akhir	108,797

- (iv) The movements in the present value of employee benefit are as follows:

	31 Desember/ December 31, 2019	
	71,755	Beginning balance
	5,268	Current service cost
	6,171	Interest cost
	(2,150)	Actual benefit paid
	24,448	Actuarial gain (losses) on obligation
	105,492	Ending balance

- (v) Pengukuran kembali (aset) liabilitas imbalan kerja neto:

	31 Desember/ December 31, 2020
Saldo pada awal tahun	82,895
Keuntungan (kerugian) aktuarial pada kewajiban	(2,711)
Saldo akhir	80,184

- (v) Remeasurement of net employee benefit (aset) liabilities:

	31 Desember/ December 31, 2019	
	58,447	Balance at beginning of year
	24,448	Actuarial gain (losses) on obligation
	82,895	Ending balance

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.

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.

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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.

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.

Penilaian aktuarial atas uang duka jasa pengabdian dan penghargaan masa kerja untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018, dihitung oleh PT Dian Artha Tama dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 15 Januari 2020 dan 4 Januari 2019.

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.20%	8.00%	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 linierly 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:

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019	
Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion		Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	
Program penghargaan masa kerja/ Gratuity for service program		Program penghargaan masa kerja/ Gratuity for service program	
Biaya jasa kini	181	170	Current service cost
Biaya bunga neto	112	148	Oterest cost net
Rugi aktuarial	-	-	Actuarial loss
Biaya yang dibebankan pada laporan laba rugi	293	318	Expenses recognized in statement of profit or loss

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- (ii) Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:

	31 Desember/ December 31, 2020	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Saldo awal	(1,402)	(23,527)
Beban tahun berjalan	(293)	(10,531)
Pengukuran kembali imbalan kerja - neto	(50)	-
Pembayaran imbalan kerja	129	5,385
Liabilitas imbalan pasti neto	<u>(1,616)</u>	<u>(28,673)</u>

- (iii) Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	31 Desember/ December 31, 2020	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Saldo awal	(1,402)	(23,527)
Biaya jasa kini	(112)	(1,883)
Biaya bunga	(181)	(3,999)
Pembayaran imbalan	129	5,385
Kerugian aktuarial pada kewajiban	(50)	(4,649)
Liabilitas imbalan pasti neto	<u>(1,616)</u>	<u>(28,673)</u>

- (iv) Pengukuran kembali liabilitas imbalan kerja neto:

	31 Desember/ December 31, 2020	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Saldo pada awal tahun	475	-
Kerugian aktuarial pada kewajiban	50	-
Pendapatan komprehensif lain	<u>525</u>	<u>-</u>

- (ii) Following are the reconciliation of the movements of employee benefit liabilities during the years:

	31 Desember/ December 31, 2019	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Beginning balance	(1,717)	(21,026)
Current year expenses	(318)	(7,649)
Remeasurement of employee benefits - net	511	-
Actual benefit paid	122	5,148
Liabilities defined benefit - net	<u>(1,402)</u>	<u>(23,527)</u>

- (iii) The movements in the present value of employee benefit are as follows:

	31 Desember/ December 31, 2019	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Beginning balance	(1,717)	(21,026)
Current service cost	(170)	(3,415)
Interest cost net	(148)	(1,808)
Actual benefit paid	122	5,148
Actuarial losses on obligation	511	(2,426)
Liabilities defined benefit - net	<u>(1,402)</u>	<u>(23,527)</u>

- (iv) Remeasurement of net employee benefit liabilities:

	31 Desember/ December 31, 2019	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Balance at beginning of year	986	-
Actuarial losses on obligation	(511)	-
Other comprehensive income	<u>475</u>	<u>-</u>

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**51. 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 Rp2.000.000 untuk per nasabah per bank. Simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau dibawah 4,50% dan 1,00% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2020 dan sama dengan atau dibawah 6,25% dan 1,75% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2019.

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 2020 dan 2019, masing-masing sebesar Rp133.284 dan Rp114.186.

52. PELAPORAN JATUH TEMPO

- a. Pelaporan jatuh tempo aset dan liabilitas menurut kelompok jatuh temponya berdasarkan periode yang tersisa (sebelum penyisihan kerugian), adalah sebagai berikut:

**51. 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 Rp2,000,000 per depositor per bank. Customer deposits are covered only if the rate of interest is equal to or below 4.50% and 1.00% in Rupiah and foreign currency as of December 31, 2020 and equal to or below 6.25% and 1.75% in Rupiah and foreign currency as of December 31, 2019.

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, 2020 and 2019, amounted to Rp 133,284 and Rp114,186 respectively.

52. 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:

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		31 Desember/ December 31,							
		2020							
	Tidak ada tanggal jatuh tempo kontraktual/ No Contractual Maturity	Sampai dengan 1 bulan/ Up to 1 month	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		
ASET								ASSETS	
Kas	-	2,511,548	-	-	-	-	2,511,548	Cash	
Giro pada Bank Indonesia	-	1,527,977	-	-	-	2,131,991	3,659,968	Current accounts with Bank Indonesia	
Giro pada bank lain	-	237,715	-	-	-	-	237,715	Current accounts with other banks	
Penempatan pada Bank Indonesia dan bank lain	-	6,591,658	293,000	-	-	-	6,884,658	Placement with Bank Indonesia and other banks	
Surat berharga	-	-	-	-	-	-	-	Marketable securities	
Biaya perolehan diamortisasi	-	2,782,412	152,578	711,974	-	7,275,676	10,922,640	Amortized cost	
Nilai wajar melalui pendapatan komprehensif lain	-	-	3,744,097	-	-	-	3,744,097		
Surat berharga Repo	-	-	-	-	-	-	-	Repo marketable securities	
Tagihan reverse repo	-	-	-	12,571,486	1,558	-	12,573,044	Reverse repo receivables	
Tagihan lainnya	-	131,932	-	-	-	-	131,932	Other receivables	
Kredit yang diberikan dan pembiayaan syariah	-	1,244,253	864,784	1,139,858	2,049,165	36,182,706	41,480,766	Loans and sharia financing	
Pendapatan bunga yang masih akan diterima	-	61	14,152	13,564	13,334	513,909	555,020	Interest receivables	
Beban dibayar dimuka	227,932	-	-	-	-	-	227,932	Prepaid expense	
Aset tetap - neto	1,205,980	-	-	-	-	-	1,205,980	Fixed assets - net	
Aset pajak tangguhan - neto	-	-	-	-	-	591,676	591,676	Deferred tax assets - net	
Aset lain-lain	356,098	-	-	-	-	-	356,098	Other assets	
Total	1,790,010	15,027,556	5,068,611	14,436,882	2,064,057	46,695,958	85,083,074	Total	
LIABILITAS								LIABILITIES	
Liabilitas segera	-	484,834	-	-	-	-	484,834	Obligations due immediately	
Simpanan dari nasabah	-	18,730,556	8,245,590	1,350,984	3,359,959	36,781,191	68,468,280	Deposits from customer	
Simpanan dari bank lain	-	2,746,074	106,970	1,560	1,000	-	2,855,604	Deposits from other banks	
Pinjaman yang diterima	-	239,680	14,084	35,292	-	342,299	631,355	Borrowings	
Utang pajak	93,135	-	-	-	-	-	93,135	Taxes payables	
Beban yang masih harus dibayar	-	484,666	-	-	-	-	484,666	Accrued expense	
Liabilitas lain-lain	-	596,630	-	-	-	-	596,630	Other liabilities	
Total	93,135	23,282,440	8,366,644	1,387,836	3,360,959	37,123,490	73,614,504	Total	
Perbedaan jatuh tempo	1,696,875	(8,254,884)	(3,298,033)	13,049,046	(1,296,902)	9,572,468	11,468,570	Maturity Gap	

		31 Desember/ December 31,							
		2019							
	Tidak ada tanggal jatuh tempo kontraktual/ No Contractual Maturity	Sampai dengan 1 bulan/ Up to 1 month	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		
ASET								ASSETS	
Kas	-	2,729,776	-	-	-	-	2,729,776	Cash	
Giro pada Bank Indonesia	-	354,347	-	-	-	5,380,180	5,734,527	Current accounts with Bank Indonesia	
Giro pada bank lain	-	111,454	-	-	-	-	111,454	Current accounts with other banks	
Penempatan pada Bank Indonesia dan bank lain	-	10,940,567	1,046,660	-	-	-	11,987,227	Placement with Bank Indonesia and other banks	
Surat berharga	-	-	-	-	-	-	-	Marketable securities	
Biaya perolehan diamortisasi	-	2,676,692	2,847,639	328,826	1,227,458	2,482,456	9,563,071	Amortized cost	
Surat berharga Repo	-	540,825	497,607	-	-	-	1,038,432	Repo marketable securities	
Tagihan reverse repo	-	5,735,113	102,407	-	-	-	5,837,520	Reverse repo receivables	
Tagihan lainnya	-	81,265	-	-	-	-	81,265	Other receivables	
Kredit yang diberikan	-	951,697	1,365,436	1,030,188	1,973,986	33,030,993	38,352,300	Loans	
Pendapatan bunga yang masih akan diterima	-	82	11,630	15,110	11,354	378,244	416,420	Interest receivables	
Beban dibayar dimuka	285,522	-	-	-	-	-	285,522	Prepaid expense	
Aset tetap - neto	1,023,429	-	-	-	-	-	1,023,429	Fixed assets - net	
Aset pajak tangguhan - neto	-	-	-	-	-	481,615	481,615	Deferred tax assets - net	
Aset lain-lain	52,866	-	-	-	-	-	52,866	Other assets	
Total	1,361,817	24,121,818	5,871,379	1,374,124	3,212,798	41,753,488	77,695,424	Total	
LIABILITAS								LIABILITIES	
Liabilitas segera	-	357,565	-	-	-	-	357,565	Obligations due immediately	
Simpanan dari nasabah	-	14,045,814	3,735,547	2,391,032	3,851,073	36,522,406	60,545,872	Deposits from customer	
Simpanan dari bank lain	-	2,575,500	312,370	60	500	-	2,888,430	Deposits from other banks	
Pinjaman yang diterima	-	1,328,313	3,144	2,729	118,205	417,855	1,870,246	Borrowings	
Utang pajak	63,766	-	-	-	-	-	63,766	Taxes payables	
Beban yang masih harus dibayar	-	433,507	-	-	-	-	433,507	Accrued expense	
Liabilitas lain-lain	-	538,275	-	-	-	-	538,275	Other liabilities	
Total	63,766	19,278,974	4,051,061	2,393,821	3,969,778	36,940,261	66,697,661	Total	
Perbedaan jatuh tempo	1,298,051	4,842,844	1,820,318	(1,019,697)	(756,980)	4,813,227	10,997,763	Maturity Gap	

b. Rasio aset produktif yang diklasifikasikan terhadap jumlah aset produktif pada tanggal 31 Desember 2020 dan 2019, masing-masing adalah sebesar 3,48% % dan 2,82%.

b. The ratio of classified earning assets to total productive assets as of December 31, 2020 and 2019 is 3.48% % and 2.82%, respectively.

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53. INFORMASI KEUANGAN UNIT USAHA SYARIAH

	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
ASET		
Kas	21,518	26,574
Penempatan pada Bank Indonesia dan bank lain	462,350	328,298
Surat berharga	983,599	632,545
Piutang:		
- Murabahah	796,351	678,335
- Qardh	24,589	24,431
Dikurangi: cadangan kerugian penurunan nilai	(25,605)	(14,442)
Piutang, neto	795,335	688,324
Pembiayaan:		
- Musyarakah	653,189	543,839
- Mudharabah	132,951	154,989
Dikurangi: cadangan kerugian penurunan nilai	(23,239)	(30,195)
Pembiayaan, neto	762,901	668,633
Aset ijarah	279	239
Aset tetap	55,817	42,693
Dikurangi: Akumulasi penyusutan	(22,094)	(18,856)
Nilai buku neto	33,723	23,837
Aset lain-lain	9,353	17,683
TOTAL ASET	3,069,058	2,386,133
LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS		
LIABILITAS		
Giro wadiah	152,174	171,092
Tabungan wadiah	-	-
Liabilitas segera	359,934	11,116
Liabilitas lainnya	830,874	656,403
TOTAL LIABILITAS	1,342,982	838,611
INVESTASI TIDAK TERIKAT		
Tabungan mudharabah	551,210	535,173
Deposito berjangka mudharabah	1,163,662	1,009,629
TOTAL INVESTASI TIDAK TERIKAT	1,714,872	1,544,802
Laba neto	11,204	2,720
TOTAL LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS	3,069,058	2,386,133
	31 Desember/ December 31, 2020	31 Desember/ December 31, 2019
LAPORAN LABA RUGI		
Pendapatan operasional		
- Margin	63,006	65,185
- Bagi hasil	70,821	77,764
- Sewa	198	386
- Operasional Lainnya	62,104	71,411
Pendapatan operasional	196,129	214,746
Beban bagi hasil untuk investor dana investasi tidak terikat		
- Bank	(1,098)	(672)
- Bukan bank	(59,736)	(76,240)
Bagi hasil	(60,834)	(76,912)
Beban operasional lainnya		
- Bonus	(527)	(850)
- Penyisihan kerugian penurunan nilai	(28,312)	(37,434)
- Beban administrasi dan umum	(39,224)	(40,169)
- Beban personalia	(48,023)	(48,410)
- Beban lainnya	(8,304)	(8,679)
	(124,390)	(135,542)
Pendapatan operasional bersih	10,905	2,292
Pendapatan non operasional bersih	299	428
Laba tahun berjalan	11,204	2,720

53. SHARIA UNIT FINANCIAL INFORMATION

ASSETS	
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	
TOTAL ASSETS	
LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY	
LIABILITIES	
Wadiah current accounts	
Wadiah savings	
Obligations due immediately	
Other liabilities	
TOTAL LIABILITIES	
UNCOMMITTED INVESTMENT	
Mudharabah savings	
Mudharabah time deposits	
TOTAL UNCOMMITTED INVESTMENT	
Net income	
TOTAL LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY	
STATEMENTS OF PROFIT OR LOSS	
Operating income	
Margin -	
Profit sharing -	
Rents -	
Other operating -	
Operating income	
Profit sharing expenses to non-restricted investors fund	
Bank -	
Non bank -	
Profit sharing	
Other operating expenses	
Bonuses -	
Allowance for impairment losses -	
General and administrative expenses -	
Personnel expenses -	
Others -	
Net operating income	
Non-operating income - net	
Profit during the year	

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54. INFORMASI TAMBAHAN ARUS KAS

Rekonsiliasi Liabilitas yang Timbul dari Aktivitas Pendanaan.

	31 Desember/ December 31, 2019	Arus kas/ Cash flows
Pinjaman yang diterima	1,870,246	(1,238,891)
Liabilitas sewa	-	(886)
Total	1,870,246	(1,239,777)

54. INFORMASI TAMBAHAN ARUS KAS

Reconciliation of Liability Arising from Financing Activities

	Lain-lain/ Others	31 Desember/ December 31, 2020	
	-	631,355	Borrowing
	112,746	111,860	Lease liability
	112,746	743,215	Total

55. ASET/LIABILITAS KONTINJENSI

Bank saat ini mempunyai aset/liabilitas kontinjensi yang signifikan terkait dengan beberapa perkara perdata sebagai berikut:

- 1) 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.
- 2) Perkara perdata Nomor 2/Pdt.G/2018/PN.Sit tanggal 9 Januari 2018 tentang gugatan Ermi Indiarti (Penggugat I), Totok Sunarto (Penggugat II), kepada Bank dengan tuntutan kerugian material sebesar Rp10.000, gugatan Perbuatan Melawan Hukum terkait peralihan hak atas tanah melalui hibah. Saat ini dalam proses persidangan Kasasi di Mahkamah Agung.
- 3) Perkara Perdata Nomor 13/Pdat.G/2018/PN.BJN tanggal 18 Mei 2018 tentang gugatan Hj. Ani Rufa`ida, Drs. H Mahruhin Irfan MSi, kepada Bank dengan tuntutan kerugian material sebesar Rp.4.032, Penggugat mengajukan gugatan untuk memberhentikan proses lelang. Saat ini dalam proses persidangan Kasasi di Mahkamah Agung.
- 4) 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.

55. CONTINGENT ASSETS/LIABILITIES

The Bank currently has significant contingent assets/liabilities in connection with several civil cases as follows:

- 1) 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 Appellate 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.
- 2) Case No.2/Pdt.G/2018/PN.Sit on 9th January 2018 on the lawsuit of Ermi Indiarti and Totok Sunarto towards Bank in the amount of Rp10,000 material losses. The lawsuit of act against the law which is about the transfer of land rights through grants currently in the Cassation trial process in the Supreme Court.
- 3) Case No.13 / Pdat.G / 2018 / PN.BJN dated May 18, 2018 regarding the lawsuit Hj. Ani Rufa`ida, Drs. H Mahruhin Irfan MSi, to Bank with the demands of material loss amounting to Rp.4.032, Plaintiff filed a lawsuit to dismiss the auction process. Currently in the Cassation trial process at The Supreme Court.
- 4) 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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| <p>5) Perkara Perdata No. 1048/Pdt.G/2019/PN.SBY tanggal 23 Oktober 2019 gugatan wanprestasi yang diajukan oleh Bank melawan PT Pan Pacific Insurance dengan tuntutan kerugian sebesar Rp109.254 atas klaim kontra bank garansi jaminan uang muka. Saat ini dalam proses persidangan banding di Pengadilan Tinggi Surabaya.</p> <p>6) Perkara Perdata No. 44/Pdt.G/2020/PN.Kpn tanggal 28 Februari 2020 tentang gugatan yang diajukan oleh Ir. Hadi Prajoko, SH, MH melawan Bank dengan tuntutan kerugian materiil sebesar Rp9.000. Penggugat mengajukan gugatan dikarenakan keberatan atas penolakan pelunasan kredit yang diajukan kepada Bank Cabang Kepanjen. Saat ini telah terdapat putusan Banding yang belum berkekuatan hukum tetap (<i>inkracht</i>). Atas putusan tersebut Ir. Hadi Prajoko, SH,MH mengajukan upaya hukum kasasi.</p> <p>7) Perkara Perdata No. 472/Pdt.G/2020/PN.Sby tanggal 11 Mei 2020 tentang gugatan yang diajukan oleh Ir. Hadi Prajoko, SH, MH melawan Bank dengan tuntutan kerugian materiil sebesar Rp42.000. Penggugat mengajukan gugatan dikarenakan keberatan atas penolakan pelunasan oleh Bank Cabang Kepanjen. Saat ini dalam proses persidangan di Pengadilan Negeri Surabaya.</p> <p>8) Perkara Perdata No. 478/Pdt.G/2020/PN.Sby tanggal 12 Mei 2020 tentang gugatan yang diajukan oleh Perkan melawan Bank dengan tuntutan kerugian materiil sebesar Rp3.215. Penggugat mengajukan gugatan mendalilkan sebagai pemilik jaminan kredit yang tidak dilibatkan/dimintai persetujuannya dalam pengikatan jaminan kredit. Saat ini dalam proses persidangan di Pengadilan Negeri Surabaya.</p> <p>9) Perkara Perdata No. 626/Pdt.G/2020/PN.Sby tanggal 9 Juli 2020 tentang gugatan yang diajukan oleh Hj. Erny Usah Diningsih, SE (PT USADA) melawan Bank dengan tuntutan kerugian materiil sebesar Rp3.450. Penggugat mengajukan gugatan mendalilkan penggugat meminta:</p> <ol style="list-style-type: none"> 1. Pembatalan Perjanjian Kredit, SKMHT dan APHT; 2. Penghapusan bunga, denda dan biaya tambahan; 3. Mengembalikan SHM No. 3642. Saat ini dalam proses persidangan di Pengadilan Negeri Surabaya <p>10) Perkara perdata lainnya dengan nilai gugatan masing-masing dibawah Rp3.000 sejumlah Rp22.192.</p> | <p>5) Civil Case No. 1048/Pdt.G/2019/PN.SBY dated October 23, 2019 a breach of contract filed by the Bank against PT Pan Pacific Insurance with a loss claim Rp109,254 for claims of Bank advance payment counter guarantee currently in the appeals trial at the Surabaya High Court.</p> <p>6) Civil Case No. 44/Pdt.G/2020/PN.Kpn dated February 28, 2020 regarding the lawsuit filed by Ir. Hadi Prajoko, SH, MH against the Bank with a material loss claim of Rp9,000. The plaintiff filed a lawsuit because of objections to the rejection of repayment by the Bank Kepanjen Branch. Currently, there has been a decision on appeal which is not legally binding (<i>inkracht</i>). Upon this decision, Ir. Hadi Prajoko, SH,MH filed a cassation action.</p> <p>7) Civil Case No. 472/Pdt.G/2020/PN.Sby dated May 11, 2020 regarding the lawsuit filed by Ir. Hadi Prajoko, SH, MH against the Bank with a material loss claim Rp42,000. The plaintiff filed a lawsuit because of objections to the rejection of repayment by the Bank Kepanjen Branch. Currently in the trial process at the Surabaya District Court.</p> <p>8) Civil Case No. 478/Pdt.G.2020/PN.Sby dated May 12, 2020 regarding the lawsuit filed by Perkan against the Bank with a material loss claim Rp3,215. The plaintiff filled a lawsuit arguing as the owner of a credit guarantee that was not involved/asked for approval in binding credit guarantees. Currently in the trial process at the Surabaya District Court.</p> <p>9) Civil Case No.626/Pdt.G/2020/PN.Sby dated July 9, 2020 regarding the lawsuit filed by Hj. Erny Usah Diningsih, SE (PT USADA) against Bank Jatim with demands for material losses of Rp3,452. The plaintiff filed a lawsuit arguing that the Plaintiff requested :</p> <ol style="list-style-type: none"> 1. Cancellation of the Credit Agreement, SKMHT and APHT; 2. Write – off of interest, penalties and additional fees; 3. Returning SHM No. 3642. Currently in the trial process at the Surabaya District Court <p>10) Other civil cases with a value of each lawsuit demands under Rp3,000 amount to Rp22,192.</p> |
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Manajemen Bank berkeyakinan bahwa penyelesaian kasus-kasus tersebut tidak mengganggu kinerja Bank.

The Bank's management believes that the above cases doesn't interfere to the Bank performances.

55. 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 Hubungan Kelembagaan & Bisnis, 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;
- 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.

55. BANK CUSTODY

Bank Custodian Services has obtained an operating license based on the letter of OJK number: S-4/PM.2/2019 date 29 Januari 2019. Bank's Custodian, which is part of the Institutional & Business Relations, 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;*
- 6) Generate reports and information regarding customers' marketable securities which are kept and administered by Bank Jatim's Custodian Unit.*

56. PERKEMBANGAN KONDISI EKONOMI DI INDONESIA

Pada awal tahun 2020, Badan Nasional Penanggulangan Bencana Republik Indonesia mengumumkan berlakunya "Status Keadaan Tertentu Darurat Bencana Wabah Virus Corona." Wabah virus corona menjadi pandemi global yang berdampak terhadap perekonomian Indonesia dan dunia, antara lain ditandai dengan melemahnya nilai tukar rupiah dan menurunnya harga-harga sekuritas di pasar modal.

Resolusi dari dampak ekonomi Indonesia ini, banyak tergantung dari kebijakan fiskal dan moneter yang akan ditempuh oleh Pemerintah Republik Indonesia dan otoritas, yang merupakan suatu tindakan yang berada diluar kendali Bank. Oleh karena itu, tidaklah mungkin untuk menentukan dampak masa depan kondisi ekonomi terhadap likuiditas dan pendapatan Bank dan realisasi dari aset, termasuk pengaruh dari nasabah, kreditur, pemegang saham dan pihak-pihak yang berkepentingan lainnya. Pengaruh dari ketidakpastian yang ada pada aset dan liabilitas

56. INDONESIA'S ECONOMIC CONDITION

In early 2020, National Agency for Disaster Management of the Republic of Indonesia announced the enactment of "Status of the Certain Disaster Emergency Conditions Due to Corona Virus Pandemic". The corona pandemic, that become global pandemic may had impacted domestic economy, which was characterized by weakening of the rupiah exchange rate and decline in the prices of securities on the capital market.

The resolution of Indonesia's economic is dependent to a large degree on any fiscal and monetary measures that may be taken by the Government of Republic of Indonesia and the authority, an action that is beyond the Bank's control. Therefore, it is not possible to determine the impact of future economics condition to the Bank liquidity and earnings, asset realization, effect from customers, debtors, shareholders, and other stakeholders. The effects of this uncertainty on the assets and liabilities reported in the statement of financial position cannot be presently

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yang dilaporkan dalam laporan posisi keuangan pada saat ini tidak dapat diperkirakan jumlahnya. Pengaruh tersebut akan dilaporkan dalam laporan keuangan pada saat diketahui dan dapat diperkirakan jumlahnya.

determined. Such effects will be reported in the financial statements when they are known and can be estimated.

57. PENYAJIAN KEMBALI LAPORAN KEUANGAN

Manajemen Bank telah melakukan penyesuaian dan menyajikan kembali laporan keuangan untuk tahun yang berakhir tanggal 31 Desember 2019, terkait dengan pengakuan kewajiban program pensiun manfaat pasti. Penilaian aktuarial atas kewajiban program pensiun manfaat pasti per 31 Desember 2019 yang disajikan kembali dilakukan oleh PT Dian Artha Tama, aktuaris independen, berdasarkan laporannya tanggal 22 Maret 2021. Ringkasan akun-akun laporan keuangan sebelum dan sesudah penyajian kembali adalah sebagai berikut:

57. RESTATEMENT OF FINANCIAL STATEMENTS

Management of the Bank has determined the need to restate the financial statements for the year ended December 31, 2019, related to the recognition of defined benefit pension plan obligations. The actuarial valuation of defined benefit pension plan obligations as of December 31, 2019 which is restated by PT Dian Artha Tama, an independent actuarial firm, based on their report dated March 22, 2021. The summary of the restatement of the financial statements are as follows:

	Sebelum penyajian kembali/ Before restatement	Penyajian kembali/ Restatement	Setelah penyajian kembali/ Before restatement	
ASET				ASSETS
Kas	2,729,776	-	2,729,776	Cash
Giro pada Bank Indonesia	5,734,527	-	5,734,527	Current accounts with Bank Indonesia
Giro pada bank lain, neto	111,454	-	111,454	Current accounts with other banks, net
Penempatan pada Bank Indonesia dan bank lain, neto	11,987,227	-	11,987,227	Placement with Bank Indonesia and other banks, net
Surat-surat berharga, neto	9,563,071	-	9,563,071	Marketable securities, net
Surat berharga yang dijual dengan janji dibeli kembali	1,038,432	-	1,038,432	Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	5,837,520	-	5,837,520	Marketable securities purchased under resale agreement
Tagihan lainnya	81,265	-	81,265	Other receivables
Kredit yang diberikan dan pembiayaan syariah, neto	37,372,166	-	37,372,166	Loans and sharia financing, net
Pendapatan bunga yang masih akan diterima	416,420	-	416,420	Interest
Biaya dibayar dimuka	285,522	-	285,522	Receivables
Aset tetap, neto	1,023,429	-	1,023,429	Prepaid expenses
Aset pajak tangguhan, neto	481,615	41,023	522,638	Fixed assets, net
Aset lain-lain, neto	52,866	-	52,866	Deferred tax assets, net
JUMLAH ASET	76,715,290		76,756,313	Other assets, net
				TOTAL ASSETS
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Liabilitas segera	357,565	-	357,565	Obligations due immediately
Simpanan dari nasabah	60,545,872	-	60,545,872	Deposits from customers
Simpanan dari bank lain	2,888,430	-	2,888,430	Deposits from other banks
Liabilitas surat berharga yang dijual dengan janji dibeli kembali	1,037,094	-	1,037,094	Liabilities of marketable securities sold under repurchase agreement
Pinjaman yang diterima	1,870,246	-	1,870,246	Borrowings
Utang pajak	63,766	-	63,766	Taxes payable
Beban yang masih harus dibayar	433,507	-	433,507	Accrued expenses
Liabilitas lain-lain	333,158	205,117	538,275	Other liabilities
JUMLAH LIABILITAS	67,529,638		67,734,755	TOTAL LIABILITIES

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	Sebelum penyajian kembali/ Before restatement	Penyajian kembali/ Restatement	Setelah penyajian kembali/ Before restatement	
EKUITAS				EQUITY
Modal saham	3,750,593	-	3,750,593	Share capital
Surplus revaluasi aset tetap	748,183	-	748,183	Revaluation surplus of fixed assets
Kerugian pengukuran kembali program imbalan pasti-setelah pajak tangguhan	(111,967)	(164,094)	(276,061)	Remeasurement loss of defined benefit pension plans - net off deferred tax
Laba yang belum direalisasi atas surat berharga - tersedia untuk dijual - setelah pajak tangguhan	20	-	20	Unrealized gain on available for sale of marketable securities - net of deferred tax
Tambahan modal disetor - nota	528,753	-	528,753	Other paid-in capital-net
Saldo laba				Retained earnings
Cadangan umum	2,893,565	-	2,893,565	General reserve
Belum ditentukan penggunaannya	1,376,505	-	1,376,505	Unappropriated
JUMLAH EKUITAS	9,185,652		9,021,558	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS	76,715,290		76,756,313	TOTAL LIABILITY AND EQUITY
	Sebelum penyajian kembali/ Before restatement	Penyajian kembali/ Restatement	Setelah penyajian kembali/ Before restatement	
Pendapatan bunga dan syariah	5,839,016	-	5,839,016	Interest and sharia income
Beban bunga dan syariah	(1,839,415)	-	(1,839,415)	Interest and sharia expense
Pendapatan bunga dan syariah, neto	3,999,601		3,999,601	Interest and sharia income, net
Pendapatan operasional lainnya	473,980	-	473,980	Other operating income
Beban operasional	(2,677,002)	-	(2,677,002)	Operating expenses
Laba operasional	1,796,579		1,796,579	Income from operations
Pendapatan non-operasional, neto	67,554	-	67,554	Non-operating income, net
Laba sebelum pajak	1,864,133		1,864,133	Income before tax expense
Beban pajak, neto	(487,628)	-	(487,628)	Tax expense, net
Laba tahun berjalan	1,376,505		1,376,505	Income for the year
Penghasilan komprehensif lain, neto	6,867	(164,094)	(157,227)	Other comprehensive income, net
Jumlah laba komprehensif tahun berjalan	1,383,372		1,219,278	Total comprehensive income for the year
Laba per saham dasar (dalam nilai penuh)	91.80		91.80	Basic earnings per share (in full amount)

58. PENYELESAIAN LAPORAN KEUANGAN

Laporan keuangan telah diselesaikan dan disetujui untuk diterbitkan oleh Direksi Bank pada tanggal 9 April 2021.

58. COMPLETION OF THE FINANCIAL STATEMENTS

The financial statements were completed and authorized for issuance by the Bank's Directors on April 9, 2021.



2020

Annual Report

PT Bank Pembangunan Daerah Jawa Timur Tbk

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