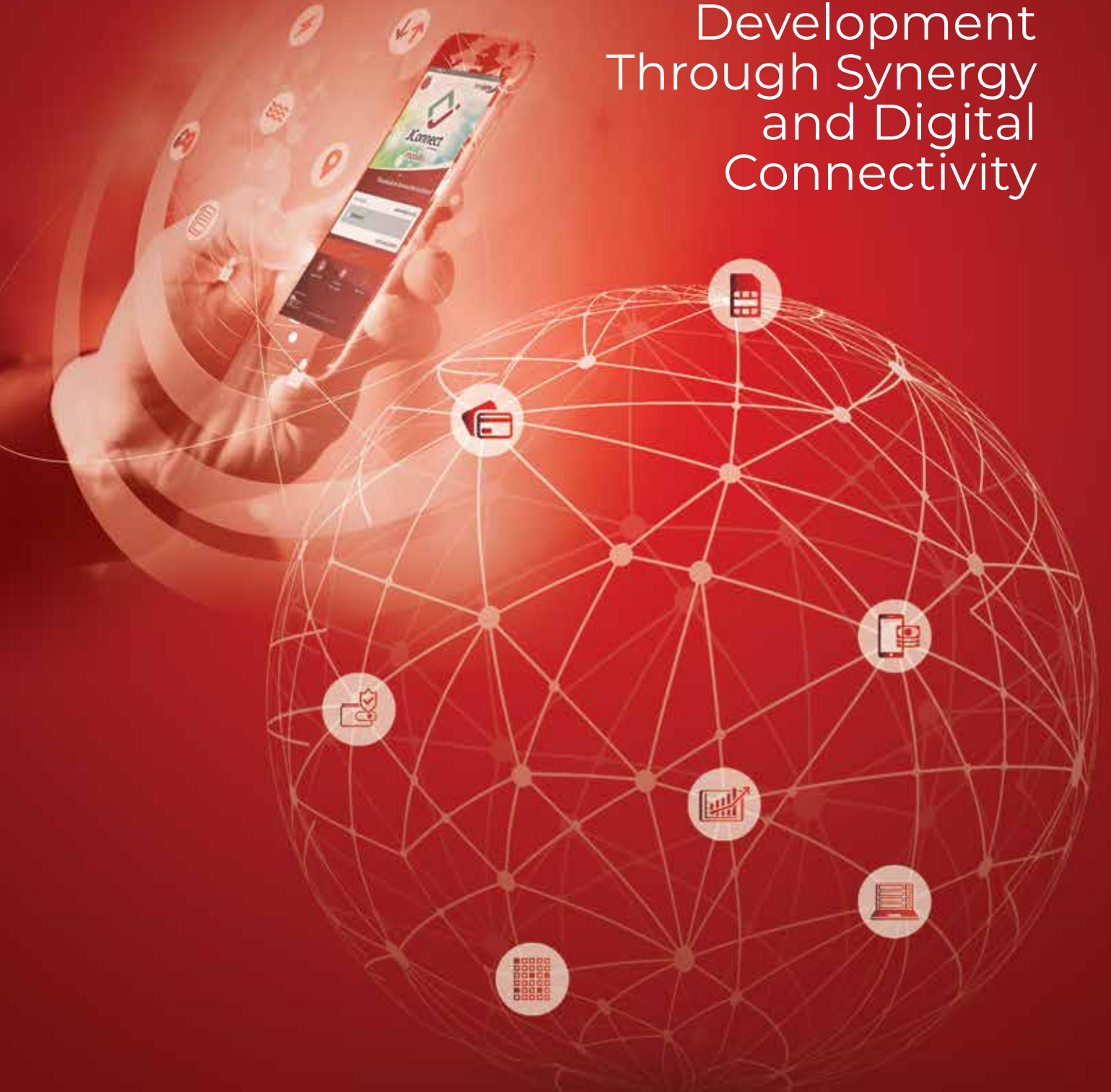
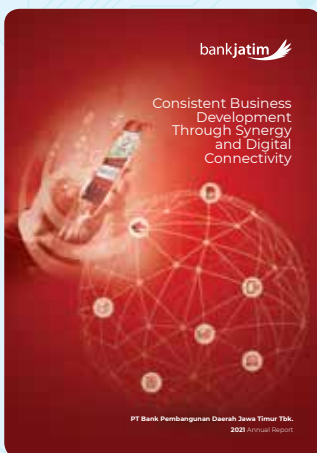


Consistent Business
Development
Through Synergy
and Digital
Connectivity



Consistent Business Development through Synergy and Digital Connectivity

2021 Annual Report



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

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

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

Theme Continuity

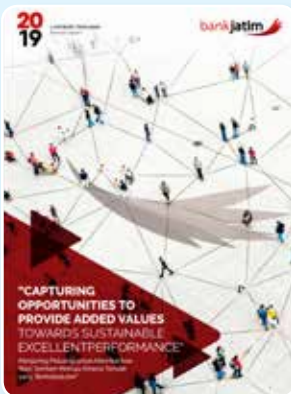


2020

FACING CHALLENGES, CREATING OPPORTUNITIES

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

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



2019

CAPTURING OPPORTUNITIES TO PROVIDE ADDED VALUES TOWARDS SUSTAINABLE EXCELLENT PERFORMANCE

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

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

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.



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.



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.





Performance Highlights



Report of The Board of Directors and Board of Commissioners



Company Profile



Management Discussion and Analysis of Bank Performance



Human Capital



Information Technology



Corporate Governance



Corporate Social Responsibility

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OVERVIEW OF THE COMPANY



TOTAL ASSETS

100.72

Trillion

PRODUCTS AND SERVICES



Deposit Products



Consumer Loan Products



Commercial, Corporate and Syndication Loans



Micro, Retail and Program Loans



Treasury Products



Trade Finance Product



Business Services



Institutional Services



Sharia Financing Products



Sharia Fund Products and Services

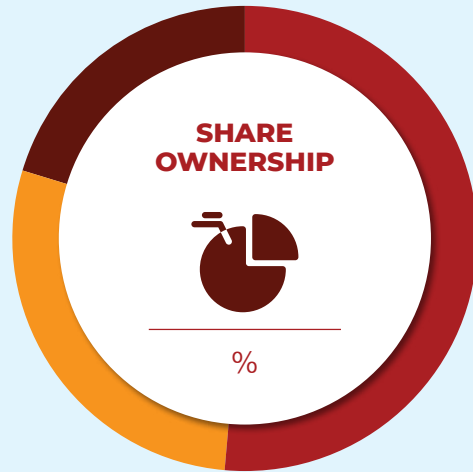


E-Channel & Other Services

bankjatim

HEAD OFFICE ADDRESS

JALAN BASUKI RACHMAD 98 – 104, SURABAYA 60271



51.13%

GOVERNMENT OF
EAST JAVA PROVINCE

28.35%

38 DISTRICT/CITY GOVERNMENT

20.52%

SOCIETY



ESTABLISHED DATE

August 17, 1961

NUMBER OF EMPLOYEES

4,415 Person



BUSINESS FIELDS

Finance

NUMBER OF OFFICE

1 Head Office &
1,851 Office Network



Milestones

1961

Establishment of PT Bank Pembangunan Daerah Djawa Timur

1976

Change of Status into Regional Owned Enterprise.

1990

Status upgrade to Foreign Exchange Bank

1999

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

2007

Establishment of Sharia Business Unit of Bank Jatim.

2012

Initial Public Offering on July 12, 2012.

2014

Establishment of 44 Micro Business Units.

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 (Perbamida) agreed to sign a Memorandum of Understanding (MoU) related to the Linkage Program facility to Rural Banks (BPR).

2016

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

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.

2019

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

2020

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

2021

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

**JConnect**

- Expansion of Tax Payment Services through the marketplace.

OUR BEST CONTRIBUTION

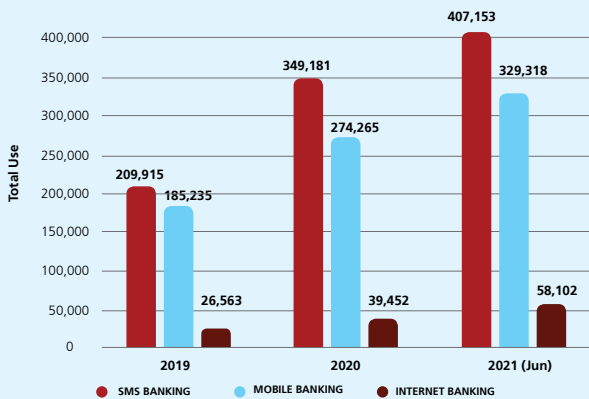
Sustainable Development of Digital Banking through Jconnect



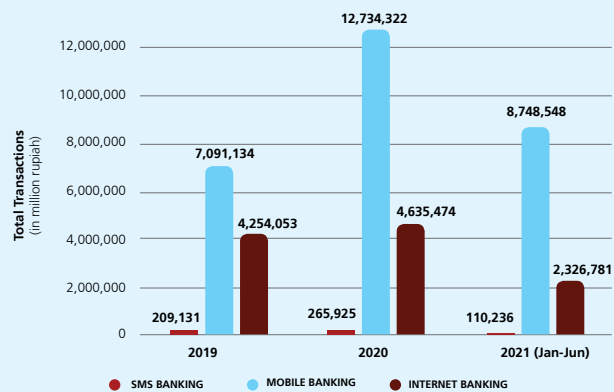
Bank Jatim as the largest bank in East Java and one of the banking players in Indonesia currently intensively carried out various service innovations based on digital technology. This became a must considering that the development of information technology run very fast. Smartphone users and internet access in Indonesia increased over time, especially during the COVID-19 pandemic and the new normal. Digital development had also become an important thing to do in making it easier for customers to access banking transactions. In this case, Bank Jatim perceived the availability and ease of access as the key to providing the best service for customers and society in general.

During the current COVID-19 pandemic, digital banking transactions experienced a significant increase. People preferred to do banking transactions through their respective gadgets, without having to come to the Bank Service Office, and it could be done anytime and anywhere in real time online. A lot of people purchased of basic and additional necessities online through the marketplace. Furthermore, they made payments with the Electronic Channel (E-Channel) of Bank Jatim. The public applied the Bank Jatim E-Channel to make payments using a Virtual Account or QRIS (QR Code Indonesia Standard) on the marketplace so that the number of transactions and nominal transactions for Bank Jatim e-channels during the COVID-19 pandemic increased quite dramatically, this shows that developments in the use of Bank Jatim digital services grew quite rapidly. This was based on the following data:

Growth in the Number of SMS Banking, Mobile Banking, and Internet Banking Users



Nominal Growth of SMS Banking, Mobile Banking, and Internet Banking Transactions



As a form of Bank Jatim's commitment to provide banking services availability, innovation, and ease of access for customers and the public, Bank Jatim proudly presented "JConnect", a Digital Banking Branding reflecting Bank Jatim's digital transformation with the spirit of connecting all needs and easy access to services banking.

"JConnect" had 3 (three) important pillars as the basis for developing digital service innovation, namely:

1. JConnect for Local Government and Civil Government

Bank Jatim integrated Regional Financial Management or Regional Financial Electronification and Non-Cash Transaction Services for Civil Government.

2. JConnect for MSMEs

Bank Jatim helped digitalize MSMEs by providing online transaction facilities, cashless payments, online marketing, MSME marketplaces, online loan applications for business capital/MSME business development, and Micro peer to peer lending through collaboration with Financial Technology (FinTek) companies.

3. JConnect for the General Public

Bank Jatim provided all the needs of the general public for banking services that were easily accessible, could be done anywhere and anytime, and were certainly safe in transactions.

Supporting the Regional Economy through the Distribution of Peoples Business Loan (KUR)



Bank Jatim continued to take proactive steps in revitalizing the East Java economy during the COVID-19 pandemic. One of these steps was taken by providing People's Business Loan (KUR) to Micro, Small and Medium Enterprises (MSMEs). This financing from Bank Jatim was expected to have a positive impact on MSME actors, especially in strengthening the capital foundation as one of the needs in expanding business scale and creating new jobs during the pandemic.

On this occasion, Bank Jatim also succeeded in implementing the use of its digital services to the public. MSME players had the opportunity to display their superior products by using the Quick Response Indonesia Standard (QRIS) of Bank Jatim as the main payment instrument. This confirmed the commitment of Bank Jatim in encouraging the development of MSMEs in East Java and expanding the reach of the National Non-Cash Movement (GNNT) program launched by the Government in minimizing cash circulation.



Expansion of Tax Payment Services through Marketplace

Bank Jatim committed to providing the availability of banking services, innovation, and ease of access for customers and the public. In this case, Bank Jatim collaborated with various marketplaces in Indonesia (Tokopedia, Gojek, OVO, modern retail merchants Indomaret and Alfamart and others) in expanding regional tax payment services (motor vehicle tax [PKB], land and building tax [PBB], hotel tax, restaurant tax, and others). This was intended so that taxpayers could carry out their tax payment obligations more flexibly and comfortably without meeting face-to-face with bank officers or tax collectors from local governments.



Bank Jatim Easy Transaction Services: One Pesantren One Product of East Java

Bank Jatim through Bank Jatim Syariah continued to innovate in facilitating financial transaction services, especially for the Pondok Pesantren (Islamic Boarding Schools) community. This was stated through the signing of a Cooperation Agreement (PKS) with PT Teknologi Kartu Indonesia and PT Sidogiri Pandu Utama in terms of Digital Business Applications and Bank Jatim Virtual Account Services on the E-Maal application.

This synergy became Bank Jatim's commitment as the main banking partner to support the East Java Governor's program in the One Pesantren One Product (OPOP) program in East Java. OPOP was a program to improve community welfare based on Islamic Boarding Schools through the empowerment of Santri, Islamic Boarding Schools and Communities around Islamic Boarding Schools, through the Sharia Business Unit (UUS) of Bank Jatim.

On this occasion, the East Java Province OPOP Team presented confidence to Bank Jatim in making the East Java Empowered OPOP Co-Branding ATM Card. The East Java Berdaya OPOP Card was an identity and access for pesantren-based entrepreneurs in an effort to increase economic value and empower pesantren products. This card could also be used as an ATM/debit card to simplify the transaction process. Currently, there were 88 Islamic boarding schools that already had the East Java Empowered OPOP card. Bank Jatim continued to encourage and provide literacy to Islamic Boarding Schools so that Islamic Boarding Schools could be more bankable.

On this occasion, Bank Jatim collaborated with the East Java OPOP Training Center to provide socialization to 200 Islamic Boarding School Cooperatives (KOPONTREN) Members of East Java OPOP in 2021. In this socialization, Bank Jatim encouraged all KOPONTREN to use the cashless payment method with the East Java Bank QRIS code, making it easier to manage daily financial transactions



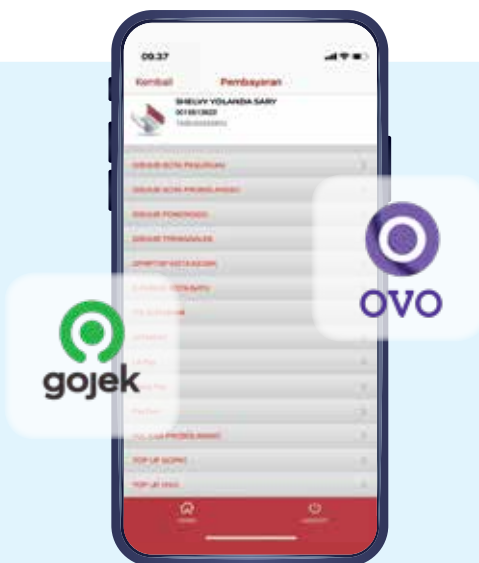
Bank Jatim Supported the Acceleration of East Java's Halal Industry

In the context of developing the Halal Industry in East Java, Bank Jatim in collaboration with PT Makmur Berkah Amanda Tbk., supported the acceleration of the operation of the Halal Industrial Estate (KIH) through the Provision of Financing Facilities to the Consumers of the Halal Industrial Park Sidoarjo. Bank Jatim through the Sharia Business Unit (UUS) signed a Cooperation Agreement (PKS) with PT Makmur Berkah Amanda Tbk.

As previously known, the Ministry of Industry designated Sidoarjo as one of the KIH in East Java. With an area of 148 hectares out of a total area of 410 hectares, KIH Sidoarjo, better known as SAFE and LOCK Halal Industrial Park (HIP) was developed by PT Makmur Berkah Amanda Tbk. and was currently still in the early stages of development. The presence of the Halal Industry which was expected to become the backbone of future business was considered very important considering that Indonesia has the largest Muslim population in the world.

With the financing facility from Bank Jatim, it was expected that the East Java Micro, Small and Medium Industry (IMKM) could use the Halal Industrial Park area of Sidoarjo so that their business could develop rapidly. In addition, it was also expected that the production capacity of Indonesian Halal products could increase significantly and be integrated, with higher quality, and with global competitiveness.

To support the increase in added value from IMKM products, one stop solution facilities and infrastructure was built from the production process to the provision of Halal certification. The presence of special economic zones and the ease of the halal certification process were certainly the key to the development of KIH in Indonesia. With the Halal Industry, the Government also expected that banks could provide support to IMKM so that later these products could be exported to the global market as a form of National Economic Recovery



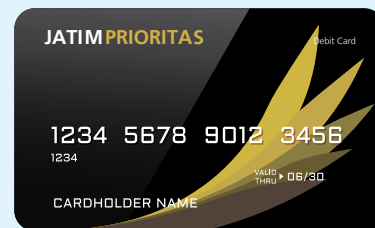
Bank Jatim Collaborated with Gojek and OVO

Bank Jatim has provided convenience facilities to customers by collaborating with Gojek and OVO. This collaboration is carried out so that customers who want to top up their balances can directly use Bank Jatim Mobile Banking.



E-Jatim Priority Launching

The E-Jatim Priority application was launched on March 31, 2021. This application is intended for East Java Priority customers to get all information related to East Java Priority services in the form of terms and conditions for Priority East Java services, a list of benefits for East Java Priority Services and other information. This application can also be accessed by the general public other than East Java Priority Customers.



Bank Jatim Strategic Cooperation with the Government

Bank Jatim has carried out several strategic collaborations with the Provincial Government, Regional Government, Institutions and Agencies in the Context of Service Development. Some examples of collaborations that have been established are as follows:

Bank Jatim in synergy with the Nganjuk Regency Government inaugurated the use of Smartcards and the Inter-City Inter-Provincial Cashless Transaction Bus (AKDP) at the Anjuk Ladang type B terminal.



Bank Jatim synergizes with the Mojokerto City Government through the Office of Cooperatives, Small Medium Enterprises, Industry and Trade (DiskopukmPerindag) in enforcing the use of the E-Retribution application nicknamed 'Rejo Anguripi' or Non-Cash Retribution to protect Regional Apparatus Organizations (OPD) and protect business actors from corruption.



Coinciding with the 103rd anniversary of Mojokerto City, Bank Jatim together with the Mojokerto City Government launched Digital Payments for eight public services. This step is an effort by Bank Jatim to support the government in its efforts to Accelerate and Expand Regional Digitization (P2DD).



Bank Jatim through Bank Jatim Syariah has made innovations to facilitate financial transaction services, especially for the community in Islamic boarding schools (ponpes). This was stated through the signing of a cooperation agreement (PKS) with PT Teknologi Kartu Indonesia and PT Sidogiri Pandu Utama in terms of digital business applications and Bank Jatim virtual account services on the E-Maal application.





Performance Highlights

“As a manifestation of Bank Jatim’s commitment to providing banking services, innovation, and ease of access for customers and the public, Bank Jatim is proud to present “JConnect”, a digital transformation of Bank Jatim with the spirit of connecting all needs and ease of access to banking services.



ptm connect



IMPORTANT ACHIEVEMENTS 2021

THIRD PARTY FUND IN 2021 REACHED

↑ **IDR 81.87**
trillion

or increase

21,87%

compared to 2020



CONSUMER LOAN IN 2021 REACHED

↑ **IDR 26.31**
trillion

or increase

1,25%

compared to 2020



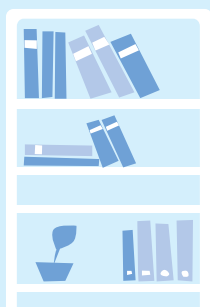
MICRO, RETAIL AND PROGRAM LOANS IN 2021 REACHED

↑ **IDR 4.98**
trillion

or increase

19,38%

compared to 2020



**TOTAL ASSET
IN 2021
INCREASED**

↑ **IDR 100.72**
trillion

or increase

20,45%

compared to 2020

**EQUITAS
IN 2021
INCREASED**

↑ **IDR 10.91**
trillion

or increase

9,05%

compared to 2020

**INTEREST INCOME AND
SHARIA IN 2021
INCREASED**

↑ **IDR 4.68**
trillion

or increase

15,29%

compared to 2020

**CURRENT YEAR PROFIT
IN 2021
INCREASED**

↑ **IDR 1.52**
trillion

or increase

2,29%

compared to 2020



Summary of Significant Financial Data

Financial Summary and Financial Ratios

Table of Financial Highlights

(in million rupiah)

Description	2021	2020	2019	2018	2017
STATEMENT OF FINANCIAL POSITION					
ASSET					
Cash	2,023,077	2,511,548	2,729,776	1,913,960	1,673,588
Current account with Bank Indonesia	8,805,300	3,659,968	5,734,527	4,075,938	3,617,670
Current account with other banks	211,681	237,715	111,479	97,287	66,811
Allowance for impairment losses	(238)	(53)	(25)	(15)	-
Current accounts with other banks. net	211,443	237,662	111,454	97,272	-
Placements with Bank Indonesia and other banks	9,917,695	6,884,658	11,989,584	13,349,542	8,945,755
Allowance for impairment losses	(1,763)	(795)	(2,357)	(2,302)	-
Placements with Bank Indonesia and other banks. net	9,915,932	6,883,863	11,987,227	13,347,240	-
Securities	32,388,966	14,666,737	9,568,245	7,791,958	4,742,414
Allowance for impairment losses	(5,943)	(8,118)	(5,174)	(513)	-
Securities, net	32,383,023	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	3,420,685	12,573,044	5,837,520	-	-
Other receivables	230,019	131,932	81,265	34,069	40,527
Loans					
- Related parties	182,889	285,595	320,896	240,632	189,025
- Third parties	42,566,670	41,195,171	38,031,404	33,652,605	31,565,388
Number of loans granted	42,749,559	41,480,766	38,352,300	33,893,237	31,754,413
Allowance for impairment losses	(1,831,417)	(1,454,721)	(980,134)	(1,198,550)	(1,394,006)
Loans granted. net	40,918,142	40,026,045	37,372,166	32,694,687	30,360,407
Accrued interest income	793,900	555,020	416,420	373,341	316,640
Prepaid expenses	134,200	227,932	285,522	308,418	330,285
Fixed assets					
Acquisition cost	1,906,263	1,882,572	1,595,455	1,501,050	1,425,101
Accumulated depreciation	(762,052)	(676,592)	(572,026)	(528,993)	(481,488)
Net book value	1,144,211	1,205,980	1,023,429	972,057	943,613
Deferred tax asset. net	627,211	591,676	522,638	467,788	438,805
Tax receivables	412	65	-	-	-
Other assets. net	115,775	356,098	52,866	46,012	42,166
TOTAL ASSETS	100,723,330	83,619,452	76,756,313	62,689,118	51,518,681
LIABILITY AND EQUITY					
LIABILITIES					
Obligations due immediately	593,875	484,834	357,565	514,585	410,627
Deposits from customers					
- Related parties	17,722,756	14,375,132	14,940,917	14,947,056	8,118,670

Description	2021	2020	2019	2018	2017
- Third parties	65,479,111	54,093,148	45,604,955	35,968,875	31,726,438
Total deposits from customers	83,201,867	68,468,280	60,545,872	50,915,931	39,845,108
Deposits from other banks					
- Related parties	360,169	238,860	137,819	100,108	182,038
- Third parties	3,827,731	2,616,744	2,750,611	635,000	1,266,923
Amount of deposits from other banks	4,187,900	2,855,604	2,888,430	735,108	1,448,961
Securities liabilities sold under repurchase agreements	-	-	1,037,094	566,699	-
Borrowings	655,288	631,355	1,870,246	725,563	1,296,878
Taxes payable	165,476	93,135	63,766	149,441	151,000
Accrued expenses	478,647	484,666	433,507	398,536	363,019
Other liabilities	529,738	596,630	538,275	211,319	187,014
TOTAL LIABILITIES	89,812,791	73,614,504	67,734,755	54,217,182	43,702,607
EQUITY					
Share capital:					
- Series A: nominal value of IDR250 (full amount) per share	-	-	-	-	-
- Series B: nominal value of IDR250 (full amount) per share	-	-	-	-	-
Authorized:					
- Series A: 24,000,000,000 shares	-	-	-	-	-
- Series B: 12,000,000,000 shares	-	-	-	-	-
Issued and fully paid:					
- Series A - 11,934,147,982 shares	-	-	-	-	-
- Series B - 3,081,350,100 shares	3,753,875	3,753,875	3,750,593	3,744,534	3,743,648
Fixed asset revaluation surplus	749,717	754,832	748,183	673,944	629,231
Remeasurement of defined employee benefit liability - net of deferred tax	(163,811)	(197,081)	(276,061)	(44,575)	(53,976)
Unrealized gain financial assets measured at fair value through other comprehensive income - net of deferred tax	213,177	125,753	20	-	-
Additional paid-in capital - net	532,734	532,734	528,753	520,603	519,663
Retained earnings					
General reserve	4,301,777	3,546,323	2,893,565	2,317,122	1,818,138
Unappropriated	1,523,070	1,488,962	1,376,505	1,260,308	1,159,370
TOTAL EQUITY	10,910,539	10,004,948	9,021,558	8,471,936	7,816,074
TOTAL LIABILITIES AND EQUITY	100,723,330	83,619,452	76,756,313	62,689,118	51,518,681
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
INTEREST AND SHARIA INCOME	6,655,168	6,088,742	5,839,016	5,200,739	4,889,674
INTEREST AND SHARIA EXPENSES	(1,977,487)	(2,031,472)	(1,839,415)	(1,512,632)	(1,404,762)
INTEREST AND SHARIA INCOME. NET	4,677,681	4,057,270	3,999,601	3,688,107	3,484,912
OTHER OPERATING INCOME					
Reversal for impairment- losses on financial assets	361,666	-	-	-	-
Current accounts, savings and deposits administration fees	172,779	162,607	155,360	137,745	123,430
Loan administration fees	34,055	41,357	45,993	40,096	37,051

Description	2021	2020	2019	2018	2017
Collection of loans written-off	55,003	55,055	77,973	77,254	63,381
Fees and commissions from other than loans	5,225	5,613	14,795	7,089	6,175
Others	177,629	153,239	179,859	151,137	141,149
TOTAL OTHER OPERATING INCOME	806,357	417,871	473,980	413,321	371,186
OPERATING EXPENSES					
Salaries and employee benefits	(1,644,897)	(1,544,532)	(1,459,394)	(1,411,911)	(1,179,380)
General and administrative	(1,078,820)	(684,216)	(683,957)	(706,474)	(673,365)
Allowance for impairment losses on financial assets	(819,201)	(567,751)	(370,265)	(133,793)	(217,128)
Unrealized loss from changes in fair value of marketable Securities. net	-	-	-	-	-
Other expenses	(150,020)	(162,365)	(163,386)	(143,329)	(143,418)
Total operating expenses	(3,692,938)	(2,958,864)	(2,677,002)	(2,395,507)	(2,213,291)
INCOME FROM OPERATIONS	1,791,100	1,516,277	1,796,579	1,705,921	1,642,807
NON-OPERATING INCOME (EXPENSES)					
Gain on foreign exchange	3,497	2,255	2,440	3,013	1,149
Gain on foreign exchange	(269,509)	(40,586)	(6,565)	(7,960)	(38,582)
Tax service fees	4,684	10,063	12,796	13,089	10,421
Gain on sale of fixed assets	3,952	2,670	393	-	-
Gain on sale of securities - net	131	-	-	-	284
Unrealized gain from changes in fair value of marketable securities. net	-	-	-	-	-
Others	404,119	16,688	58,490	39,635	20,862
TOTAL NON OPERATING INCOME (EXPENSES)	146,874	(8,910)	67,554	47,777	(5,866)
INCOME BEFORE TAX EXPENSES	1,937,974	1,507,367	1,864,133	1,753,698	1,636,941
TAX EXPENSES - NET	(414,904)	(18,405)	(487,628)	(493,390)	(477,571)
CURRENT YEAR PROFIT	1,523,070	1,488,962	1,376,505	1,260,308	1,159,370
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Revaluation surplus (deficit) of fixed assets	(4,665)	6,199	74,239	44,713	112,985
Remeasurement of employee benefit liability	41,074	100,536	(289,357)	12,535	(70,356)
Related income taxes	(7,804)	(21,556)	57,871	(3,134)	17,589
Items that will be reclassified subsequently to profit or loss:					
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	103,326	155,226	25	-	-
Related income taxes	(15,902)	(29,493)	(5)	-	-
OTHER COMPREHENSIVE INCOME - NET OF TAX	116,029	210,912	(157,227)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,639,099	1,699,874	1,219,278	1,314,422	1,219,588
BASIC EARNINGS PER SHARE (IN FULL AMOUNT)	101,43	99,16	91,80	84,15	77,51
STATEMENT OF CASH FLOWS					
Cash flows from operating activities					
Receipts of interest, sharia, fees and commissions	6,421,514	5,950,142	5,793,913	5,126,743	4,944,953
Receipts of other operating income	384,463	153,239	396,007	336,066	307,806
Collection of loans written-off	55,003	55,055	77,973	77,254	63,381
Receipts from non-operating income	416,380	29,007	74,120	55,739	32,715
Payment for non-operating expenses	(269,509)	(40,586)	(6,565)	(7,960)	(39,656)

Description	2021	2020	2019	2018	2017
Payment of interest, sharia, fees and commissions	(1,983,506)	(1,799,442)	(1,832,032)	(1,501,446)	(1,386,372)
Payment of salaries and employee benefits	(1,644,897)	(1,490,765)	(1,427,754)	(1,360,329)	(1,134,253)
Payment of general and administrative expenses	(1,211,045)	(544,941)	(777,253)	(785,200)	(720,082)
Payment of taxes	(378,098)	(378,774)	(581,512)	(544,875)	(601,999)
Cash flow from operating activities before changes in operating assets and liabilities	1,790,305	1,932,935	1,716,897	1,395,992	1,466,493
Changes in operating assets and liabilities:					
Placements with Bank Indonesia and other banks	-	112,000	(112,000)	-	-
Loans	(1,268,793)	(3,128,466)	(5,038,885)	(2,464,765)	(2,224,469)
Marketable securities sold under repurchase agreement	-	1,038,432	(471,540)	(566,891)	-
Reverse repo bill	9,152,359	(6,735,524)	(5,837,520)	-	-
Other assets and other receivables	235,620	(282,585)	(53,071)	9,831	27,125
Obligations due immediately	109,040	127,269	(146,873)	93,811	87,829
Deposits from customers	14,733,587	7,992,408	9,629,941	11,070,824	7,046,450
Deposits from other banks	1,332,296	(32,826)	2,153,322	(713,853)	230,776
Liabilities of marketable securities sold under repurchase agreement	-	(1,037,094)	470,394	566,699	-
Other liabilities	77,535	(146,658)	27,092	35,672	29,216
Net cash flows from (used to) operating activities	26,161,949	(230,109)	2,337,757	9,427,320	6,663,420
Purchase of marketable securities	(17,722,229)	(4,943,265)	(1,774,238)	(3,032,249)	(1,458,594)
Acquisition of fixed assets	(70,838)	(32,487)	(22,126)	(31,236)	(31,412)
Fixed asset sold	4,556	2,671	393	-	-
Net cash used in investing activities	(17,788,511)	(4,973,081)	(1,795,971)	(3,063,485)	(1,490,006)
Cash flows from financing activities					
Proceeds (payments of) from borrowings	23,933	(1,238,891)	1,144,682	(571,314)	324,079
Proceeds from additional paid-up capital	-	7,263	14,209	1,826	12,204
Payment of lease liability	-	(886)	-	-	-
Payment of cash dividends	(733,508)	(723,747)	(683,865)	(660,386)	(652,202)
Net cash is used in financing activities	(709,575)	(1,956,261)	475,026	(1,229,874)	(315,919)
Net increase (decrease) in cash and cash equivalents	7,663,863	(7,159,451)	1,016,812	5,133,961	4,857,495
Cash and cash equivalents at the beginning of the year	13,293,890	20,453,366	19,437,785	14,304,019	9,446,524
Effect of foreign currencies exchange rate changes	-	(25)	(1,231)	(195)	-
Cash and cash equivalents at end of year	20,957,753	13,293,890	20,453,366	19,437,785	14,304,019
Cash and cash equivalents consist of:					
Cash	2,023,077	2,511,548	2,729,776	1,913,960	1,673,588
Current accounts with Bank Indonesia	8,805,300	3,659,968	5,734,527	4,075,938	3,617,670
Current accounts with other banks	211,681	237,715	111,479	97,287	66,811
Placements with Bank Indonesia and other banks	9,917,695	6,884,658	11,877,584	13,350,600	8,945,950
Bank Indonesia Certificates of Deposit with maturities of three months or less from the date of acquisition	-	-	-	-	-
Total cash and cash equivalents	20,957,753	13,293,890	20,453,366	19,437,785	14,304,019
FINANCIAL RATIO (%)					
Minimum Capital Requirement (KPMM)	23.52	21.64	21.77	24.21	24.65
Minimum Capital Requirement (KPMM)	23.52	21.64	19.43	19.28	19.68
Earning Asset Quality	3.31	3.48	2.83	2.07	2.85

Description	2021	2020	2019	2018	2017
Non-Performing Loans (NPL-Gross)	4.48	4.00	2.77	3.75	4.59
CKPN to Earning Assets	2.10	1.93	1.50	2.18	3.06
Fulfillment of PPAP / CKPN	67.93	59.48	52.84	68.37	74.19
Profit Against Income	20,41%	22,88%	21,80%	22,45%	22,04%
Liability to Equity	823,17%	735,78%	735,16%	639,96%	559,14%
Liabilities to Total Assets	89,17%	88,04%	88,03%	86,49%	84,83%
Ratio of Fee Based Income to Total Operating Income	5.50	12.37	8.86	8.72	8.39
Operating Costs / Operating Income (BOPO)	75.95	77.76	71.40	69.45	68.63
Return on Asset (ROA)	2.05	1.95	2.73	2.96	3.12
Return on Equity (ROE)	17.26	18.77	18.07	17.75	17.43
Cost to Income Ratio (CIR)	39,57%	76,70%	71,54%	69,61%	68,77%
Net Interest Margin (NIM)	5.11	5.55	6.11	6.37	6.68
Cost Efficiency Ratio	52.82	50.93	52.65	56.01	52.72
Loan to Deposit Ratio (LDR)	51.38	60.58	63.34	66.57	79.69
LLL	-	-	-	-	-
Legal Reserve Requirement (Rupiah)	5.73	5.03	9.63	7.99	7.97
Legal Reserve Requirement (Foreign Currency)	7.36	8.22	9.21	11.84	14.94
Net Open Position (NOP)	0.84	0.89	1.31	2.35	1.19

Operations Highlights

Table of Operational Highlights of Bank Jatim

(in million Rupiah)

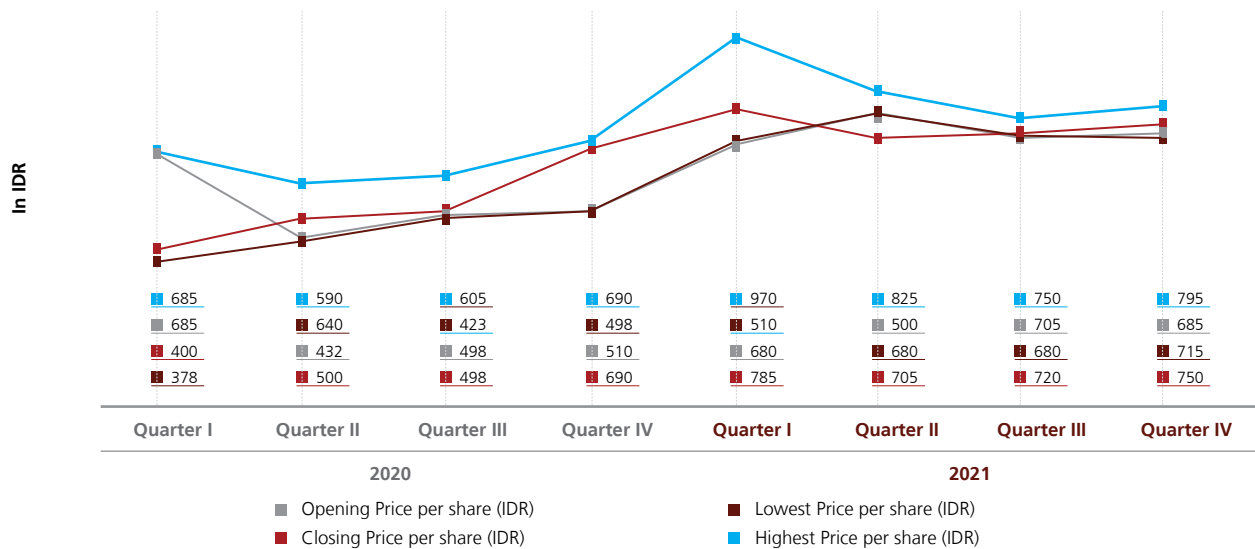
DESCRIPTION	2021	2020	2019	2018
CONVENTIONAL				
CREDIT/LOAN				
Corporate and Syndicated Medium Loan	9,691,297	9,748,903	8,711,965	6,920,700
Consumer Loan	26,313,613	25,951,351	24,659,762	22,905,473
Retail and Micro Loan Programs	4,981,888	4,173,152	3,578,740	2,947,402
THIRD PARTY FUND/DEPOSITS				
Giro	25,862,874	21,039,158	23,721,437	19,168,880
Savings	24,264,622	22,285,619	21,669,322	18,789,218
Deposit	31,088,576	23,316,556	13,509,606	11,307,225
OTHER SERVICES				
Treasury	45,281,074	33,911,368	29,707,332	20,766,066
SHARIA				
Funding	1,985,795	1,826,436	1,645,508	1,650,608
Sharia Financing	1,762,368	1,607,359	1,401,833	1,119,662
Sharia Other Services	1,964,752	1,378,999	875,545	990,315

Share Price Information

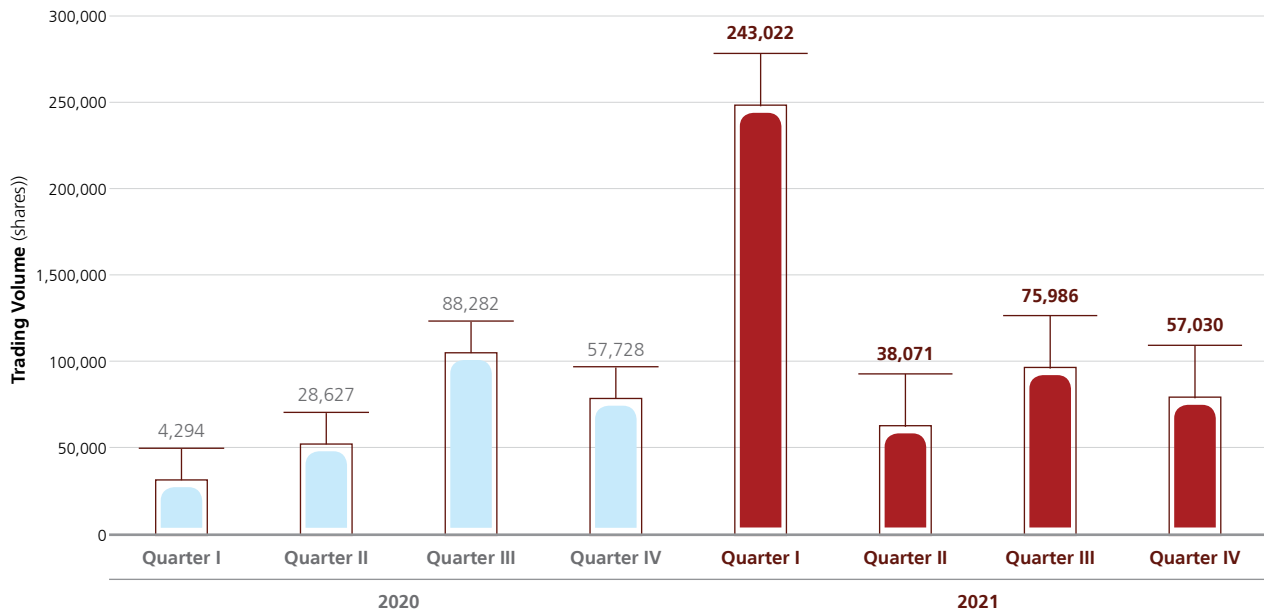
Table of Prices, Volume and Capitalization of Bank Jatim Shares 2017-2021

Year	Price per share				Number of shares outstanding (shares)	Trading Volume (shares)	Market Capitalization (IDR Billion)
	Opening (IDR)	Highest (IDR)	Lowest (IDR)	Closing (IDR)			
2021							
Quarter I	695	970	680	785	15,015,498,082	243,022	11,787
Quarter II	790	825	700	705	15,015,498,082	38,071	10,586
Quarter III	705	750	680	720	15,015,498,082	75,986	10,811
Quarter IV	720	795	715	750	15,015,498,082	57,030	11,262
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

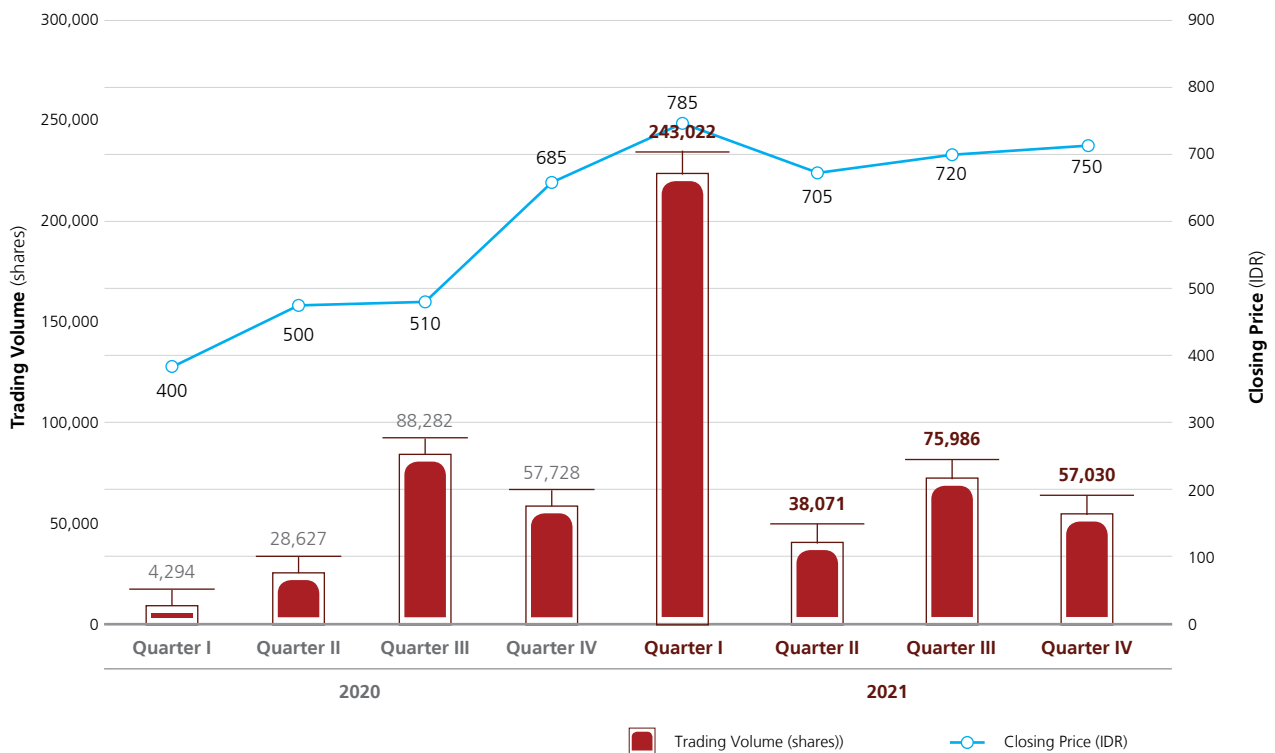
Graph of Bank Jatim Stock Price Movement in 2020 – 2021



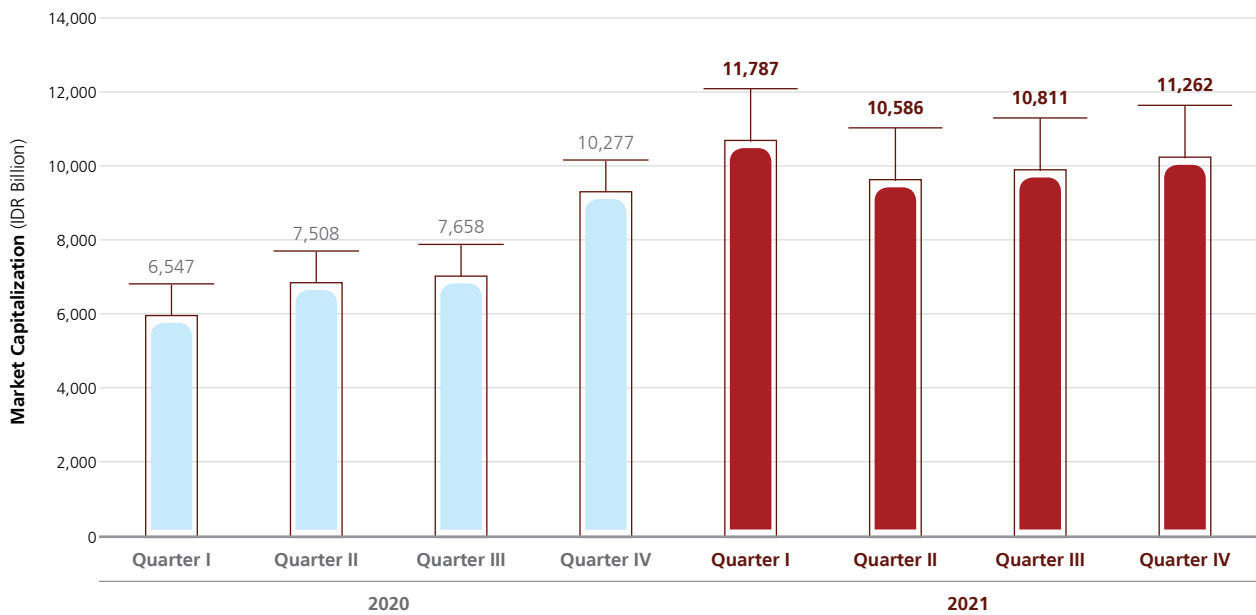
Graph of Bank Jatim Stock Trading Volume in 2020 – 2021



Graph of Price and Trading Volume of Bank Jatim Shares in 2020 – 2021



Graph of Bank Jatim Stock Market Capitalization in 2020 – 2021



Corporate Actions

In 2021 Bank Jatim will not take corporate actions related to activities that affect the number of outstanding shares, including stock splits, stock mergers, stock dividends, bonus shares, and changes in the nominal value of shares.

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

As of December 31, 2021, Bank Jatim has never been subject to sanctions for temporarily suspending stock trading (suspension) and/or delisting shares (delisting).

Bond Information, Sukuk and/or Conversion Bonds

As of December 31, 2021, Bank Jatim has not issued bonds/sukuk/convertible bonds. Thus, there is no information regarding bonds/sukuk/convertible bonds.

Other Funding Sources Information

As of December 31, 2021, Bank Jatim does not issue other securities, so there is no information on the chronology of issuance and/or listing of other securities.

Company Analysis Report

No	Name	Recommendation	Target Price	Date
1.	PT BRI Danareksa Sekuritas	Buy	900	November 23, 2021
2.	Mandiri Sekuritas	Neutral	800	November 12, 2021
3.	RHB Research	Buy	1000	November 9, 2021

RESUME

- As of December 2021, Bank Jatim continued to show growth in terms of assets, deposits, and loans that were still high among Industry and Banking in East Java. For the Income Statement, Net Interest Income experienced a fairly high growth of 10.22% YoY, PPOP increased by 9% YoY, and reserves increased by 14.26% YoY, and achieved a net profit growth of 7.81% YoY. In October 2021, the syndication was paid off so that the LDR at the end of the year was estimated at 47-48%.
- Deposits experienced high growth supported by growth in deposits, but this high deposit made the LDR position in the position of 49.97% Bank Jatim suppressed deposits so that CoF decreased, and interest expense was not too large. This Idle Fund Bank Jatim places it in provided good yields. The high increase in TPF also led to high asset growth of 23.05% YoY.
- Bank Jatim's ROA ratio position, even though its position fell at 2.2%, maintained a trend of above 2% for profitability meaning that the ROA ratio was still well maintained; ROE was still maintained at 18% and NIM with a restruk position of approximately 2.7 trillion still maintained at 5.09%, and interest income was still quite good.
- By optimizing commercial and SME productive loans for BOPO there was a slight increase because there was an increase in CKPN, and Bank Jatim targeted to be equal to the September position above 90% to maintain quality and impact until 2023 for strengthening for Loan at Risk to improve from position 7, 41% to 6.9%. in addition, in Credit Cost there was a slight increase to 1.10%. Overall, the performance of Bank Jatim until September 2021 showed net profit growth of 7.81% with a maintained profitability ratio and risk mitigation.
- The target or position at the end of the year was that assets were expected to grow by 20-22%; deposits at the end of December grew by 25-27%; and loans grew more or less by 5%. Net profit grew 1% to -3%; NPL would be maintained at the end of the year at the level of 3-3.9% because Bank Jatim did not write off, so Bank Jatim would write off the loan by forming CKPN of 100% so it did not affect the profit.

Event Highlights in 2021

10 January

Submission of CSR Bankjatim Peduli to the NU Branch Manager of Pasuruan Regency.



20 January

Submission of CSR Bankjatim Peduli to the City of Kediri.



09 February

Bank Jatim Strengthens Cooperation with BPJS Employment in the GN LINGKARAN Program.



25 February

Bank Jatim Submits CSR of Health Equipment to An-Nur Islamic Boarding School 1 Bululawang Polyclinic, Malang.



04 March

Lumajang Tourism Support, Bank Jatim Submits CSR in the form of Contemporary Tents.



09 March

Bank Jatim Submits CSR to the Situbondo Regency Government.



05 March

Bank Jatim Submits CSR for Church Facilities.



21 March

Increasing Current Generation Customers, Bank Jatim Holds Jatim Garage and Savings Lottery.



03 March

It's Easier to Pay for the KIR Test Using Bank Jatim.



10 March

Building Employee Motivation, Bank Jatim Holds Banking Refreshment.



01 April

Bank Jatim Submits CSR to Mojokerto City Government.



05 April

Bank Jatim Facilitates East Java OPOP Transaction Services.



07 April

The Lively Loans of Bank Jatim Multipurpose Loans.



03 May

Annual General Meeting of Shareholders. PT Bank Pembangunan Daerah Jawa Timur Tbk for Fiscal Year 2020.



08 June

Bank Jatim Facilitates Payment of Taxes and Non-Cash Tourist Tickets in Kediri Regency.



15 June

Bank Jatim Submits CSR to PWNU East Java.



29 July

Strengthening Three Important Pillars, Bank Jatim Presents the Digital Brand "JCONNECT".



22 July

Bank Jatim Succeeds the Joint Vaccination Program for the East Java Financial Services Sector.



22 July

Profit Before Tax of Bank Jatim Reached IDR 1 Trillion in First Semester.



17 August

60 Years of Bank Jatim Progressing Without Boundaries.



18 August

Commemorating the 60th Anniversary, Bank Jatim Holds Social Activities and Distributes CSR.



26 August

Bank Jatim Together with Financial Services Sector Holds Second Dose of Mass Vaccination.



22 September

Bank Jatim Succeeds Vaccination Program to Bawean Island.



10 September

Bank Jatim and the East Java Provincial Government Purchase Awards at the TOP BUMD Award 2021.



28 October

Moving on Without Limits, Bank Jatim's Assets Reach IDR101 Trillion.



21 November

The Governor of East Java with Busrul Iman Presents the 2021 Simpeda Savings Lottery Prize.



13 December

Launching of PBB Payment Via Mojokerto City Marketplace.



04 December

Submission of Phase 2 of Pancasila Fort Park Development Assistance to the Mojokerto City Government.



15 December

Submission of Bank Jatim Cares to the Sumenep Regency Government.



18 December

Submission of Bank Jatim Caring for Mobile Regional Tax Service Cars to the Malang Regency Government.





Report of The Board of Directors and Board of Commissioners

“ In the midst of economic recovery efforts, Bank Jatim’s performance in 2021 has given good results. From an operational perspective, total consumer loans in 2021 will reach IDR26.31 trillion, an increase of 1.25% compared to 2020 which amounted to IDR25.99 trillion. Micro, Retail and Program Loans have disbursed loans of IDR4.98 trillion, an increase of 19.38% compared to 2020 of IDR4.17 billion.



bankjatim



KANTOR KAS



Board of Directors' Report



Busrul Iman
President Director

Dear Shareholders and Stakeholders,

Great gratitude was addressed to God Almighty for His blessings and gifts, Bank Jatim was able to pass through the big challenges in 2021 well even though the COVID-19 pandemic is still ongoing until now. In the midst of the impact of this pandemic, persistence in business and the ability to bring innovation became the keys to Bank Jatim's success in dealing with the difficult times of this pandemic.

The Board of Directors expressed appreciation and gratitude to all levels of management and employees of the Bank for the achievement of the Bank's performance. On this occasion, please allow us to submit a report on the implementation of the Bank's management during 2021 including the Bank's performance, analysis of business prospects, developments in the implementation of corporate governance, performance appraisal of Committees under the Board of Directors and changes in the composition of the Board of Directors.

Analysis of Bank Performance

As a company engaged in banking, the purpose and objective of Bank Jatim was to run a business in the field of financial and insurance activities, particularly banking, in accordance with the provisions of the applicable laws and regulations. In accordance with the main activities, the Bank owned products and services both conventional and sharia as follows:

1. Savings products included Rupiah Demand Deposit Accounts, Foreign Currency Demand Deposit Accounts, Rupiah Deposits, Foreign Currency Deposits, Simpeda Savings, Cycle Savings, Hajj Savings, TabunganKu, Student Savings (SIMPEL), Laku Pandai Savings (SiPandai) and Pension Cycle Savings.
2. Consumer Loan products include Multipurpose Loans and Employee Loan & Personal Loan Car Allowance Program.
3. Commercial, Corporate and Syndicated Products included Presidential Decree Loans, Standby Loans, General Installment Working Capital Loans, Current Account Working Capital Loans, Current Account Working Capital Loans, Investment Loans, Property Construction Loans, Syndicated Loans, Loans to Public Service Agencies Regions (BLUD),

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

4. Loans of Micro, retail and program products included East Java Retail Loans, Laguna Micro Loans, Bpr Linkage Loans, People's Business Loans (KUR), Loans to Cooperatives for Its Members (KKPA), Loans to Cooperatives (KKOP), KUMK SU-005 /Government Investment Loan (KIP), Cattle Breeding Business Loan (KUPS), Food and Energy Security Loan (KKPE), East Java Micro Loan, Fintech Linkage Loan, SiUMI Loan, and BPR RC Loan (Newspaper Account).
5. Treasury products included General Foreign Exchange (Telegraphic Transfer), Bank Notes and Deposit on Call.
6. Trade Finance products included Export, Import and Domestic Transactions (SKBDN).
7. Business services included Bank Reference, National Clearing, Real Time Gross Settlement (RTGS), Rupiah Inkaso, Foreign Currency Inkaso, Giralization, BPD Net Online, East Java Electronic Transfer System (JETS), Western Union and Remittance Transactions.
8. Institutional Services included Tax Services, Bill Payments, Salary Payrolls and Trading Transaction Services.
9. Sharia Financing Products included general financing, KPT iB Griya Barokah, KPR Sejahtera, Sharia Multipurpose, iB Gold Barokah, Gold Ownership, Linkage Programs, iB Maqbullu Umrah, iB Barokah Property Construction Working Capital Financing, iB Barokah Land Procurement Financing, iB Barokah Presidential Decree Working Capital Financing, iB Barokah Bonded Investment Collateral Financing (ITIB), iB Barokah Receivables Financing (Factoring), Syndicated Financing, Employee and Personal Financing and Bank Guarantees.

10. Sharia products and services included Amanah Current Account, Barokah Savings, Amanah Hajj Savings, iB Savings, iB Sempel Savings, iB Amanah Umrah Savings, Prosperous Barokah Savings Program, iB Barokah Plan Savings, Barokah Deposits, Reference Business Model Bancassurance, Virtual Accounts, Payment Point, E-Channel, and iB Barokah Waqf.
11. E-channels and other services included SMS Banking (3366), JConnect Internet Banking, JConnect Mobile Banking, JConnect E-Kmg, JConnect E-Loan, Laku Pandai Services (Sipandai Bank Jatim), Bank Jatim Info (14044), Bank Jatim ATM Debit Card, Bank Jatim Flazz Card (Co-Branding), Safe Deposit Box, Electronic Civil Servant Card (KPE), Virtual Account, East Java E-Samsat, National Digital Samsat (Signal), Jatim Code QRIS and BJTM Connect.

As of December 2021, Bank Jatim owned 1 Head Office and 1,851 office networks. Details of the Office Network included 1 Head Office, 48 Branch Offices, 192 Sub-Branch Offices, 213 Cash Offices, 256 Payment Points, 805 ATMs, 58 CRM and 104 Mobile Cash.

The implementation of the Bank's management can be seen in the organizational structure of Bank Jatim which is divided into 6 (six) Directorates under the President Director, namely the Commercial and Corporate Directorate, Consumer, Retail and Sharia Business Directorate, Business Risk Directorate, IT and Operations Directorate, Finance Directorate and Compliance and Risk Management Directorate. Each Directorate was divided into several Divisions supporting the implementation of the related duties of the Board of Directors. The President Director is supported by the Corporate Secretary and the Internal Audit Division. The Commercial and Corporate Directorate was supported by the Corporate and Syndicated Commercial Loans Division and the Funds and Services Division. The Directorate of Consumer, Retail and Sharia Business was supported by the Sharia Business Division, the Consumer Loans Division and the Micro, Retail and Program Loans Division. The Business Risk Directorate was supported by the Business Risk Division and the Loan Rescue and Settlement Division. The IT and Operations Directorate was supported by the General Division, Information Technology Division and Operations Division. The Finance Directorate was supported by the Financial Control Division, the Strategic Planning and Performance Management Division and the Treasury Division. The Compliance and Risk Management Directorate was supported by the Compliance and Governance Division, the Legal Division, the Corporate Risk Management Division and the Human Capital Division. All Divisions contributed to the achievement of the performance of their respective Directorates and the overall performance of the Bank.

In carrying out its operational activities, Bank Jatim had 4,415 employees with details of the education level of 600 people with non-strata education levels, 3,606 people with S1 education levels, 207 people with S2 education levels and 2 people with S3 education levels. In 2021, Bank Jatim organized competency development. The competency development program implemented by Bank Jatim was based on priority criteria, namely programs of which results had a major impact on the achievement of Bank Jatim's business performance and were absolutely needed by employees in carrying out their duties/jobs. During 2021, the Bank enrolled employees in education according to their positions and needs with a total of 3,650 employees.

In line with the Bank's business development, Bank Jatim also had information technology with very high quality and able to support the Bank's business achievement targets. Changes in the marketplace and society required banks to change towards digital banking, or services with the support of Information Technology (IT). Some banking services were then turning into IT-based self-service services. As a consequence of this change, there was an increasing demand for Information Technology support in carrying out future business changes.

Smartphone users and internet access in Indonesia increased over time, especially during the COVID-19 pandemic and the new normal. Digital development also became an important thing to do in making it easier for customers to access banking transactions. Bank Jatim continued to improve services to meet customer needs. In accordance with the times, Bank Jatim also launched a number of innovations in the field of digital banking. In 2021, Bank Jatim launched JConnect as a new digital brand as Bank Jatim's strategy to provide services that were adaptive to the people's new habits in transactions, especially in the pandemic era. The presence of JConnect was expected to increase the ease and convenience of customers in accessing banking services in the 4.0 era. JConnect had 3 (three) important pillars as the foundation for the development of digital service innovation. The pillars were JConnect for Local Government and Civil Governments, JConnect for MSMEs, and JConnect for the General Society.

The entire infrastructure owned by Bank Jatim run effectively in supporting the implementation of the duties of the Board of Directors, especially in the challenging economic conditions in 2021. Major challenges were faced by various industrial sectors during the COVID-19 pandemic, including the banking industry. In the midst of this condition, the Board of Directors was able to run the Bank's business well. The Bank's persistence and ability to deliver innovation was the key to achieving good performance during this difficult time of the pandemic. The Bank's performance was influenced by various factors, particularly macroeconomic conditions. In the analysis of the bank's performance, the report presents the economic conditions that directly impacted the Bank's performance, 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 to solve them.

Macro Economic Overview

The global economy throughout 2021 was still faced with various challenges and dynamics triggered by the spread of COVID-19. Global economic growth in 2021 was largely supported by the economies of developed countries, particularly the United States, and it was also supported by the acceleration of vaccination implementation and broad economic policy stimulus. A similar recovery also occurred in the emerging market group, which, although not as fast as the economic recovery of developed countries, still made a significant contribution to the global economy in 2021 (Bank Indonesia, 2021). Nevertheless, the pressure on the economic recovery to be higher in 2021 was influenced by various factors such as the discovery of a new variant of COVID-19 which spread much faster than the previous variant, as well as rising inflation in various countries (World Economic Forum, January 2022).

Likewise, the Indonesian economy again faced the risk of soaring COVID-19 cases due to the emergence of a new variant of COVID-19 mutation. This resulted in the Government re-implementing a policy of restricting mobility. This policy, of course, had great impacts on subsequent economic growth.

Based on the possibility of new risks arising, the economic recovery in 2021 had been directed at strengthening the economic structure and accommodating the rapidly increasing trend of digitization due to the current pandemic. The 2021 State Revenue and Expenditure Budget (APBN) became an instrument of National Economic Recovery (PEN) that balanced the continuation of handling the pandemic, encouraging economic recovery, and consolidating fiscal.

In line with global and national economic developments, the development of the banking industry throughout 2021 was also affected by the COVID-19 condition. However, the resilience of the financial system remained resilient as indicated by the banking capital adequacy ratio (CAR) which remained strong at 25.59% (November 2021 position); the NPL ratio was maintained at 3.00% (December 2021 position), and very loose banking liquidity, namely the ratio of Liquid Assets to Third Party Funds (AL/TPF) of 33.53%, although banking intermediation performance throughout 2021 was still not optimal (Indonesian Economic Report 2021, Bank Indonesia, January 2022).

Based on the analysis of the economy and industry and considering the existing challenges, Bank Jatim set a target market, to continue to improve the quality of products and services through optimization and improvement of technology-based service products accompanied by strengthening and development of infrastructure and security of information and communication technology, increasing lending by considering the precautionary principle, market expansion and deepening, as well as increasing cooperation with various parties. In 2021, Bank Jatim set market targets including One Student Account (KEJAR), Optimization of Laku Pandai, Optimization of Non-Cash Financial Services with Regional Governments, Cooperation of Financial Services with Hospitals in the East Java Region, Cooperation with Schools, Universities Colleges and Islamic Boarding Schools, Exploring the potential of Private Current Account customers, Implementing Cooperation with BPJS Employment, Implementing cooperation with GoPay (PT Dompot Anak Bangsa), Optimizing Cooperation with PT ASABRI (Persero), One Student One Account (OSOA), Optimizing QRIS Implementation, Promos Event: East Java Priority Community (Cooking Class, Sport & Music etc), Event Promo: Implementation of Jatim Garage event (Millennial event), Promo Event: Sponsorship event (Surabaya Marathon, Jazz Traffic, etc.), Simpeda Lottery Program and Cycle Lottery, Cooperation with the Social Service of East Java Province, Cooperation Agreement with the State Asset Management Institute (LMAN), and Cooperation with PT Asuransi Jiwa Taspen (Taspen Life). Bank Jatim made optimal efforts to achieve the target market that had been set.

Strategy and Policy

In facing various challenges and in seizing opportunities the Bank focused on implementing the following strategies:

1. Encouraging Loan Growth by selective loan disbursement growth and targeting potential economic sectors as well as loan restructuring for debtors affected by COVID-19.
2. Synergizing with various parties by synchronizing programs with local governments, synergies in supporting the Nawa Bhakti Satya program and cooperation in the fields of financing and funds (especially with fintech).
3. Strengthening the Business Process by strengthening the 3 (three) lines of defense, strengthening and improving Governance, Risk, and Compliance (GRC) as well as improving the Business Process.
4. Digital Acceleration by providing digital-based products and services, developing digital services and big data analytics as well as modernizing the core banking system and strengthening IT security.
5. Increasing the capacity of human resources by strengthening the work culture and improving the quality of service standards.

As an effort to achieve the focus of the organization's goals and visions and missions, in the following year the Bank continued to improve the quality of products and services through optimization and improvement of technology-based service products accompanied by strengthening and development of infrastructure and security of information and communication technology, increasing lending by taking into account the principles of prudence, market expansion and deepening, as well as increasing cooperation with various parties.

Bank Jatim in carrying out its business activities formulated a business strategy focus for 2021, and it was implemented in achieving sustainable business growth, including the following:

1. Becoming a Regional Development Bank (BPD) Rank 2 (Achieving Assets) in 2021.
2. Minimizing the gap with Bank Bjb assets.
3. Growing above the average asset growth of the Regional Development Bank of Indonesia (BPD SI).
4. Corporate Actions to invest in financial institutions of approximately IDR 13 billion and establishing a Regional Securities Company of approximately IDR 5 billion.
5. Minimizing the gap with Bank Jateng's loan distribution.
6. Growing above the average growth of BPD SI loan distribution.
7. Acceleration of loan processes and collaboration with the Central and Regional Governments through Synergy with Nawa Bhakti Satya.
8. Minimizing the gap by collecting DPK Bank Bjb.
9. Increasing the growth of deposits, especially in demand deposits and savings.
10. Maintaining Current Account Saving Account (CASA) Ratio at more than 64.99%.
11. Optimizing loan expansion.
12. Optimizing the role of the treasury.
13. Increasing acquisition of fee based income.
14. Maintaining the best performance position Number 1 in the Infobank BUKU III Bank Category.

Regarding the Sharia Business Unit (UUS) owned by Bank Jatim, a strategy had been set for both the funding strategy and the financing strategy. The funding strategies that have been set were:

1. Collaboration with the Indonesian Waqf Board for Cash Waqf literacy.
2. Implementation of an integrated Digital Card Application.
3. Collaboration with LP Ma'arif Nu for education money management.
4. Cooperation with LazisNu East Java for Ziswaf accounts.
5. Implementation of the Santri Card at Islamic Boarding Schools for East Java OPOP Members.
6. Implementation of the Bank Jatim Virtual Account service on the Sidogiri Islamic Boarding School's E-Maal application.

Meanwhile, the financing strategies that had been determined covered:

1. Focusing on financing distribution to the education/Islamic boarding school, health, micro/small business, BMT and BPRS (Apex) sectors, financing KPR iB Barokah both FLPP and commercial, as well as distribution of financing to retirees.
2. Synergizing with conventional Bank Jatim through the implementation of the Dual Banking Leverage Model (DBLM) program in a measurable manner with the following steps:

- a. Application of dual banking
 - b. Application of KPI to leveraged units (sharia service offices and related units at the parent conventional commercial bank).
 - c. Sharia Campaign
3. Providing Sharia product knowledge training to conventional employees as a step in implementing the Dual Banking Leverage Model (DBLM) program.
 4. Synergizing with conventional Bank Jatim through multipurpose financing products, especially for retirees.
 5. Strengthening the functions of the three pillars (business, risk and operations) in the distribution of financing, including the discipline of monitoring watchlist customers.
 6. Continuing to cooperate with Government institutions in accepted financing schemes (FLPP, SMF, and others).

The Board of Directors directed the formulation of the Bank's strategy through various meetings between the Board of Directors and executive officer. The strategy was stated in the Bank's Business Plan of which implementation was always evaluated to ensure the effectiveness of the implementation of the strategy that had been determined.

The implementation of the right strategy in 2021 produced a quite proud achievement. Based on this strategy, Bank Jatim targeted third-party funds and loans in 2021 to be IDR83.20 trillion and IDR45.27 trillion, respectively. In relation to deposits and loans, the basic loan interest rates for 2021 had been determined as follows:

Table of Basic Loan Interest Rates

Bank Jatim Basic Loan Interest Rate as of December 2021				
By Business Segment				
Corporate Loan	Retail Loan	Micro Credit	Consumer Loan	
			KPR	Non KPR
5.90%	6.66%	11.46%	7.08%	8.60%

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

Table of Savings Interest Rate as December 2021

Tier	Interest rate
SIMPEDA	
0 - < IDR1 million	0,00%
IDR1 million - < IDR10 million	0,50%
IDR10 million - < IDR50 million	0,75%
IDR50 million - < IDR500 million	1,00%
≥ IDR500 million	1,50%
SIKLUS	
0 - < IDR1 million	0,00%
IDR1 million - < IDR10 million	0,75%
IDR10 million - < IDR50 million	1,00%
IDR50 million - < IDR500 million	1,25%
≥ IDR500 million	1,50%

Tier	Interest rate
HAPPY CYCLE	
Interest Cycle Plus Period 2021 Gadget/Electronic Gifts, Motor Vehicles, Others Remarks: Valid Until December 31, 2021	Tenor 1 - 60 Months 3.25% goods and 0.25% interest at the end of the period
Vaganza Cycle • IDR 5 million balance, Thumbler Prize • Balance IDR 10 million, Gift Voucher • IDR 25 million balance, Power Bank Prize	4 Months Tenor Interest follows the Cycle Savings rate
SMALL MICROCYCLE (SIUMI)	
0 - IDR500 thousand	0,00%
> IDR500 thousand	1,50%
FISHERMAN CYCLE (SINYAL)	
0 - IDR500 thousand	0,00%
> IDR500 thousand	0,50%
HAJI	
All Nominal	1,00%
MY SAVINGS	
0 - IDR500 thousand	0,00%
>IDR500 thousand - IDR1 million	0,25%
>IDR1 million	1,00%
	Notes: • Interest is calculated daily and in accordance with the applicable tiering • Interest is paid according to the payment period
PRIORITY CYCLE	
0 - < IDR500 thousand	0,00%
IDR500 thousand - < IDR7,5 million	1,50%
IDR7,5 million - < IDR100 million	1,75%
IDR100 million - < IDR1 miliar	2,00%
≥IDR1 billion	2,25%
SIMPANAN LAKU PANDAI	
All Nominal	0,50%
FX CYCLE	
USD	
< USD25.000	0,00%
> USD25.000 ≤ USD100.000	0,15%
> USD100.000	0,20%
SGD	
≤ SGD25.000	0,00%
> SGD25.000 ≤ SGD100.000	0,15%
> SGD100.000	0,20%
EUR	
0 - EUR300	0,00%
> EUR300	0,10%
JPY	
All Nominal	0,00%
HKD	
All Nominal	0,00%

Table of Time Deposit Interest Rate as of December 2021

Tier	Tenor (month)						
	1 Month	2 Month	3 Month	6 Month	12 Month	18 Month	24 Month
≥IDR2,5 million - IDR1 billion	2.95% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa
>IDR1 billion	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa

Table of Foreign Exchange Interest Rates as of December 2021

Tier	Tenor (Month)			
	1 Month	3 Month	6 Month	12 Month
USD				
≥ USD1000 – Unlimited	0.25% pa			
SGD				
≥ SGD1.000	0.10% pa			
EUR				
≥ EUR750	Each placement had to be approved by the Division in charge of			
JPY				
≥ JPY100.000	Each placement had to be approved by the Division in charge of			
HKD				
≥ HKD7.500	Each placement had to be approved by the Division in charge of			

*) Above the counter rate, the branch asked for Head Office approval

Table of Interest Rates for On Call Deposits December 2021

Tier	Interest Rate
On Call Deposit (IDR)	0.75% below the market interest rate of Government Banks, BPD or Private Banks obtained from LHBU or Reuters

Table of Current Account Interest Desember 2021

Tier	Interest Rate
IDR	
Progressive Daily Current Account Service Calculation	
IDR0 - IDR5 million	0.00%
> DR5 juta - IDR100 million	0.50%
> DR100 juta - IDR1 billion	0.75%
> DR1 miliar - IDR500 billion	0.90%
> DR500 miliar - IDR750 billion	1.25%
> DR750 billion	1.75%
Current Account Escrow Account	Same as current account Rupiah, and had to be included in the Cooperation Agreement (PK)
FOREIGN EXCHANGE	
USD FX CURRENT ACCOUNT	
≤ USD25.000	0.00%
> USD25.000 - ≤ USD100.000	0.15%
> USD100.000	0.20%
SGD FOREX CURRENT ACCOUNT	
≤ SGD25.000	0.00%
> SGD25.000 - ≤ SGD100.000	0.15%
> SGD100.000	0.10%
EUR FOREX CURRENT ACCOUNT	
EUR	0.10%
JPY FOREX CURRENT ACCOUNT	
JPY	0.00%

Performance Achievement

Based on the strategy implemented, in 2021 Bank Jatim presented good performance in accordance with the target. The Bank's performance analysis is presented as follows.

Operational and Financial Performance

In the midst of economic recovery efforts, Bank Jatim's performance in 2021 obtained good results. From an operational perspective, total consumer loans in 2021 reached IDR26.31 trillion, an increase of 1.25% compared to 2020 which amounted to IDR25.99 trillion. Micro, Retail and Program Loans disbursed loans of IDR4.98 trillion, an increase of 19.38% compared to 2020 of IDR4.17 billion.

Third party funds in 2021 also increased. Current accounts in 2021 reached IDR25.86 trillion, an increase of 22.93% compared to 2020 which reached IDR 21.04 trillion. Total Savings in 2021 reached IDR24.26 trillion, an increase of 8.16% compared to 2020 which reached IDR22.29 trillion. Time deposits in 2021 reached IDR31.09 trillion, an increase of 33.33% compared to 2020 which reached IDR23.32 trillion.

From other services, there was an increase in the performance of the treasury and custodian. In 2021, the treasury business increased with a portfolio increase of 33.53% from IDR 33.91 trillion in 2020 to IDR45.28 trillion in 2021. Bank Jatim's custodial services increased in terms of the number of assets under custody. Total assets under custody in 2021 reached IDR1.88 trillion, an increase of 25% compared to 2020 which reached IDR1.49 trillion.

From the sharia segment, funding realization in 2021 reached IDR1.98 trillion, an increase of IDR159.36 billion or 8.73% compared to 2020 of IDR1.82 trillion. Total financing in 2021 was realized at IDR1.76 trillion, an increase of IDR155.01 billion or 9.64% compared to 2020 of IDR 1.61 trillion. Other services-sharia also increased in 2021. FASBIS Bank Jatim Business Unit was recorded at IDR1.13 trillion, an increase of IDR748.60 billion or 197.83% from December 2020.

Good achievements could also be seen from the financial side. Net interest and sharia income in 2021 reached IDR4,677,681 million, an increase of 15.29% compared to the previous year which reached IDR4,057,270 million. Profit for the year in 2021 reached IDR 1,523,070 million, an increase of 2.29% compared to the previous year which reached IDR1,488,962 million. With the increase in the Company's profit for the year, the Company's equity also increased. Equity in 2021 reached IDR10,910,539 million, an increase of 9.05% compared to the previous year which reached IDR10,004,948 million. The total assets of Bank Jatim in 2021 reached IDR100,723,330 million, an increase of 20.45% from last year's IDR83,619,452 million.

Comparison Between Achieved Results and Targets

In general, Bank Jatim had met the expectations of the stakeholders. Various targets that had been set had been realized in 2021. The achievement of total assets managed to exceed the target of 114.46%, Third Party Funds and deposits from other banks also exceeded the target of 112.43% and 158.14%, respectively. On the one hand, loans extended reached 94.44%. Operating income other than interest managed to exceed the set target of 118.06%. Profit for the year managed to exceed the set target of 111.38%.

The achievement of the CAR ratio was 102.73%. RoA and RoE managed to exceed the target by 101.37% and 108.26%, respectively. In the future, Bank Jatim will always carry out the implementation of the strategies that have been set, so that the financial performance of Bank Jatim in the future will continue to experience continuous improvement.

Obstacles Faced by the Bank

Throughout 2021, the Bank also faced several obstacles. These constraints included information technology-based product and service infrastructure that was not yet optimal in accommodating the development of the banking business and the less than optimal digitization of business processes. To overcome these obstacles, Bank Jatim invested in technology to remain competitive in the era of the industrial revolution 4.0. Another obstacle was the quality of human resources (HR) which was less than optimal, so Bank Jatim implemented a strategy to continue the process of accelerating transformation initiatives to increase productivity.

Meanwhile, from the external side, the COVID-19 pandemic condition that continued in 2021 was one of the factors influencing the dynamics of the global and national economy, it also had an impact on the Bank's business performance, although in general it was not too significant. However, competitive advantage, continuous transformation and innovation, as well as the implementation of adaptive strategic policies were able to further reduce the impact of the pandemic on the Bank's business performance. This was reflected in financial performance which experienced positive growth throughout 2021.

Important Things Expected to Happen on The Future and Business Prospects

Even though economic conditions started to show signs of recovery, prospects for further global economic recovery are expected to vary among countries, depending on the distribution and availability of access to vaccinations, as well as accelerated normalization of monetary policy at several central banks and rising geopolitical tensions. The recovery in global economic conditions is expected to continue, supported by increased vaccination coverage and continued expansionary fiscal policy.

The momentum of global economic improvement is also expected to occur in the national economy, to continue in 2022 in line with the recovery process of domestic economic activity, although the increase in cases of COVID-19, the Omicron variant, needs to be watched out for. Meanwhile, the capacity and development of the financial services sector in 2022 will still depend on the sentiment of economic recovery and the resolution of COVID-19.

The Bank's policies and strategic steps are directed at increasing business growth after the recovery from the COVID-19 pandemic, improving and optimizing the information technology sector, which focuses on the following internal advantages:

1. Digital banking technology infrastructure that is sufficient to compete with the industry by utilizing shifting behavior of the people in the use of technology, as well as the demographic landscape of the population which is dominated by millennials.
2. Good relationship and synergy with various related parties, including the Bank's shareholders.
3. Resilience and relatively high capital adequacy of the Bank.
4. Optimizing the role of the Bank's office network that extends to the islands of East Java Province, as well as the Jakarta and Batam areas.

Various estimates of global and national economic conditions as well as the banking industry, Bank Jatim has the opportunity to grow. Opportunities owned by Bank Jatim include the following:

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

By utilizing its internal advantages, Bank Jatim is optimistic that it has good prospects in the future. Therefore, the formulation of the Bank's business development strategy in 2022 is focused on the following:

1. Loan/financing activities, especially to the productive and potential economic sectors, which are balanced with the development and improvement of infrastructure supporting business activities (improvement of provisions and supporting technology) while still considering the principles of prudential banking.
2. Optimization and improvement of information technology-based products and services while still taking into account the principles of prudential banking and security.
3. Market expansion and deepening in order to increase business and achieve financial inclusion by improving services and optimizing the role of networks, including smart behavior agents.
4. Utilization of strategic projects, in order to encourage economic growth and improve business performance through productive lending to strategic sectors and MSMEs, especially in East Java Province.
5. Expansion and improvement of cooperation with various parties, in the context of increasing business in the field of funds and loan/financing.

6. Maintain good relations with customers, especially shareholders, by providing full support for government programs and taking an active role in strategic projects, especially in East Java Province.
7. Management of third party funds in the context of optimizing the CASA ratio, as well as optimizing the role of the Treasury.

Corporate Governance

The implementation of good corporate governance (GCG) encouraged good performance in the Bank's business activities. Bank Jatim committed to implementing GCG by implementing it properly, and always complying with the prevailing laws and regulations. In order to improve the implementation of Bank Jatim's governance in a sustainable manner, Bank Jatim applied the five GCG principles, namely transparency, accountability, responsibility, independence and fairness. The five principles were implemented through fulfilling the interests of shareholders and providing equal treatment to all shareholders; fulfilling of the interests of other stakeholders; implementing disclosure and transparency; and carrying out the duties and responsibilities of the Board of Commissioners as the supervisory function and providing advice to the Board of Directors.

Fulfillment of Shareholders' Rights

The Bank fulfilled the rights of shareholders including paying dividends fairly and on time. The new shareholders from this Public Offering had 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 linked to the Bank's profit for the financial year concerned, without neglecting the level of the Company's profits and without prejudice to the right of the General Meeting of Shareholders of the Company to determine otherwise in accordance with the provisions of the Company's Articles of Association. In addition to the distribution of dividends, the Company also fulfilled the rights of shareholders as follows:

1. Series A shares were shares that gave special rights to their holders in the quorum of attendance and approval of the GMS to:
 - a. Attend and approve the appointment, dismissal and approval of the resignation of the Board of Directors and the Board of Commissioners.
 - b. Attend and approve changes to the articles of association for issuance of equity securities or changes in issued and paid-up capital.
 - c. Attend and approve the deposit of shares in the form of objects other than money, both tangible and intangible.
 - d. Attending and approving mergers, consolidations, takeovers and separations as well as submitting applications for the bankruptcy and dissolution of the Company.
2. Except for special rights as referred to in point 1 above, series B shareholders had the same rights.

The Bank held the Annual GMS in a timely manner. The 2020 Fiscal Year GMS was held on May 3, 2021. The Annual GMS was well held in accordance with the set agenda.

Equal Treatment for All Shareholders

Bank Jatim had given equal treatment to all shareholders. As long as the articles of association did not specify otherwise, Series A shareholders and Series B shareholders had the same rights and each 1 (one) share gave 1 (one) voting right. All Shareholders had the same rights in obtaining information related to the Company. Bank Jatim provided equal treatment to all Shareholders in providing information needed by investors or Shareholders so that there was no inside information only known to the Majority Shareholders.

Fulfillment of The Interests of Stakeholders

Bank Jatim identified stakeholders with the aim that the Bank knew clearly who had the most interest in the Bank on a reciprocal basis, what relationships were forged, and what things needed to be communicated and how to maximize the characteristics of the communication media so that the Bank could communicate with stakeholders effectively until finally achieve the expected target. The Bank also constantly reviewed the social, economic and environmental impacts so that the Bank could increase the positive impact and reduce the negative impact in the Company's business activities as well as provide added value for stakeholders. The Bank continued to improve the quality of service to all customers. The Bank targeted to always strive to meet customer expectations, one of which was through handling complaints targeted to be resolved in accordance with the standard level agreement. Regarding customer satisfaction, the Bank always strived to ensure the security of every product and feature offered/launched to consumers.

Bank Jatim had an internal policy regarding the Procurement of Goods and Services, namely the Decree of the Board of Directors No. 060/03/34/DIR/UMM/KEP, dated October 4, 2021 regarding Standard Operating Procedure (SOP) for the Procurement of Goods/Services PT Bank Pembangunan Daerah Jawa Timur Tbk. The guideline regulated the principles of procurement of goods/services, namely: efficient, effective, open, competitive, transparent, fair and accountable. The guideline was also a guide for the Bank in carrying out the process of procuring goods and services that were strategic and non-strategic to support the Bank's operational activities in accordance with the quality, quantity and time determined at the best price and applying risk management principles.

Regarding the procurement of goods and services, Bank Jatim targeted that the implementation of the procurement of goods and/or services within Bank Jatim was in accordance with the principles stipulated in the guidelines for the procurement of goods/services. In addition, Bank Jatim also always strived to update the guidelines regularly to suit current conditions. Increase the professionalism of the independence and responsibility 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 principle of transparency, Bank Jatim always provided information related to the procurement process openly to prospective procurement participants.

Bank Jatim realized that its business operations directly or indirectly had an impact on the environment, so protecting the environment for current and future survival became a top priority. Bank Jatim targeted to participate in sustainable development, so that in its business operations, apart from making a profit, it also contributed to society and the environment.

The Bank committed to providing opportunities, facilities and infrastructure for employees to actualize their potential and play an active role in improving their performance and competence. Human Resources Development (HR) of Bank Jatim was known as Human Capital Management (HCM) with a more comprehensive approach than Human Resource Management (HRM). Through the implementation of HCM, Bank Jatim treated employees as assets and adds value and supports all functions or as strategic partners of the Bank.

The Bank provided contact details through the Bank's website or Annual Report in which stakeholders could use to submit complaints, suggestions or possible violations of their rights. In improving the implementation of GCG implementation at Bank Jatim, the Bank's management committed to running the company professionally based on behavior in accordance with the code of ethics. Therefore, if there was a violation of the code of ethics, management prepared reporting media that was managed transparently and fairly through the Whistleblowing System.

Disclosure and Transparency

The Bank implemented information disclosure required for stakeholders. Regarding share ownership, the Bank disclosed information including:

1. Shareholders of 5% or more.
2. Share ownership, both direct and indirect, from major shareholders and/or shareholders in large numbers.
3. Direct and indirect share ownership of the Board of Directors and the Board of Commissioners.

The Bank also carried out information disclosure through annual reports. The Company's annual report contains:

1. Vision, mission, goals and objectives of the Bank.
2. Financial and non-financial performance.
3. Dividend policy.
4. Detailed biographies of all Directors and Board of Commissioners.
5. Detailed the attendance of each Board of Directors and Board of Commissioners in all Board of Directors and Board of Commissioners meetings held throughout the year.
6. Total remuneration for each member of the Board of Directors and Board of Commissioners.
7. Related party transactions.
8. Public Accounting Firm and its audit and non-audit fees.

In addition to the annual report, the Bank also disclosed company information through quarterly reports, financial reports which could be viewed on the Company's website. The public could access all financial and non-financial reports submitted by Bank Jatim transparently through various available facilities in a timely, complete and accurate manner.

Disclosure of Bank information was done through internal communication and external communication. Bank Jatim used various communication channels to both internal and external parties that aimed to build the company's 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.

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. Bank Jatim always committed to being transparent in the submission of reports, both periodic and incidental reports to regulators in accordance with the laws and regulations in a timely manner.

Responsibilities of The Board of Commissioners

The Board of Commissioners became the Corporate Governance organ of which task 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 supervising the policies of the Board of Directors on the Company's operations in general which referred to the approved business plan, as well as ensuring compliance with all applicable laws and regulations.

Throughout 2021 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. Meeting 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 2021, the Board of Commissioners issued 11 (eleven) approval letters, including approval of the proposed Organizational Structure, Loans 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 Bank also determined decisions that needed to be approved by the Board of Commissioners, and it was regulated in the Code of Conduct section of the Work Mechanism between the Board of Directors and the Board of Commissioners. Matters that needed to be approved by the Board of Commissioners were as follows:

1. General Meeting of Shareholders (GMS).
2. Changes in Organizational Structure.
3. The Bank's Business Plan and Corporate Plan.
4. Maximum Lending Limit (BMPK) with Related Parties.
5. Internal Audit Charter and the Appointment and Dismissal of the Head of SKAI regarding the implementation of Standards for the Implementation of the Internal Audit Function of Commercial Banks (SPFAIB).
6. Reports to Bank Indonesia related to conditions that endanger the business continuity of the Bank.

7. SKAI Semester Report.
8. Approval of the Implementation Manual that had to be ratified by the Board of Commissioners, including guidelines for large exposure transactions such as Guidelines for Disposal of Assets, Write-Off Loans and Write-Offs and others.
9. Others according to the provisions.

Regarding the composition of the Board of Commissioners, currently the Bank had 67% Independent Commissioners of the total Board of Commissioners in the Bank. The composition of the Independent Commissioners as of December 31, 2021 was 2 (two) out of 10 (ten) people. The composition of the Board of Commissioners.

In order to improve 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, Remuneration and Nomination Committee, and the Risk Monitoring Committee. The duties of the Audit Committee included:

1. Reviewing the financial information to be issued by the Bank to the public and/or authorities, including financial reports, projections, and other reports related to the Bank's financial information.
2. Reviewing compliance with laws and regulations related to Bank activities.
3. Providing an independent opinion in the event of a difference of opinion between the management and the accountant on the services provided.
4. Providing recommendations to the Board of Commissioners regarding the appointment of an Accountant based on independence, scope of assignment, and remuneration for services.
5. Reviewing the implementation of the audit by the internal auditors and supervising the implementation of follow-up actions by the Board of Directors on the findings of the internal auditors.
6. Reviewing the implementation of the audit by the external auditor and supervising the implementation of follow-up by the Board of Directors on the findings of the external auditor (OJK, BPK, KAP, BI and BPKP).
7. Reviewing the risk management implementation activities carried out by the Board of Directors, if the Bank did not have a risk monitoring function under the Board of Commissioners.
8. Reviewing complaints related to the Bank's accounting and financial reporting processes.
9. Reviewing and providing advice to the Board of Commissioners regarding potential conflicts of interest with the Bank.
10. Maintaining the confidentiality of Bank documents, data and information.
11. Assisting the Board of Commissioners to:
 - a. Always improve the quality of the implementation of good corporate governance by applying the principles of transparency, accountability, responsibility, independence and fairness, to strengthen the internal conditions of the national banking system.
 - b. Encourage the implementation of good corporate governance, the establishment of an adequate internal control structure, improving the quality of financial disclosure and reporting as well as reviewing the scope, determination of independence and objectivity of public accountants.

- c. Assessing the adequacy of the Bank's internal audit function, to assess all aspects of activities in accordance with applicable laws and regulations.
- d. Assessing the effectiveness of the implementation of the Bank's internal audit tasks in creating a healthy Bank that was able to develop properly.

The duties of the Remuneration and Nomination Committee included:

1. Regarding the Remuneration function:
 - a. Providing 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. Assisting the Board of Commissioners in assessing performance in accordance with the remuneration received by each member of the Board of Directors and/or member of the Board of Commissioners.
 - c. In carrying out the remuneration function as referred to in letter a above, the Remuneration and Nomination Committee was required to carry out the following procedures:
 - Developing remuneration structure for members of the Board of Directors and/or members of the Board of Commissioners in the form of salary, honorarium, incentives, benefits that were fixed and/or variable.
 - Developing policies on remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
 - Preparing 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 had to consider:
 - Remuneration applicable to the industry in accordance with the business activities and scale of similar businesses in the industry (peer group).
 - Duties, responsibilities, and authorities of members of the Board of Directors and/or members of the Board of Commissioners were related to the achievement of the Bank's goals and performance.
 - Performance targets or performance of each member of the Board of Directors and/or member of the Board of Commissioners.
 - The balance of benefits between fixed and variable.
 - e. Assisting the Board of Commissioners in providing recommendations on the salary/wage system, providing allowances and facilities for employees.
 - f. Assisting the Board of Commissioners in providing recommendations on the compensation system and other benefits for employees.
 - g. Ensuring that the remuneration policy was in accordance with the provisions.
 - h. Conducting regular evaluations of the implementation of the remuneration policy.
2. Related to the Nomination function
 - a. Providing 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. Providing recommendations to the Board of Commissioners regarding the policies and criteria required in the Nomination process.
- c. Providing 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.

The Risk Monitoring Committee was tasked with assisting the implementation of the supervisory and guidance functions by the Board of Commissioners towards the executives (the Board of Directors and their staff) in the area of risk management implementation so that it could be carried out effectively, both regarding risk management issues and the internal control system as well as anticipatory steps taken by the Board of Directors in risk management.

Development of Corporate Governance Implementation in 2021

To evaluate the implementation of GCG in the Bank, the Bank conducted a periodic GCG Assessment 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 parameters assessed in this assessment included:

1. Implementation of Duties and Responsibilities of the Board of Commissioners
2. Implementation of the Duties and Responsibilities of the Board of Directors
3. Completeness and Implementation of Committee Duties
4. Handling Conflicts 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 Reports
11. Bank Strategic Plan

In 2021, the Bank carried out assessments in semesters I and II. The scores obtained in the first and second semesters were 2.45 and 2.44. The results of the assessment were followed up to increase the effectiveness of the implementation of good corporate governance in a sustainable manner.

Committee Assessment Under The Board of Directors

During 2021, the Board of Directors considered that the committees under the Board of Directors had carried out their duties and responsibilities well.

Asset Liability Committee (ALCO)

ALCO was an asset and liability decision-making committee for the purposes that had been outlined, a forum called the Asset Liabilities Committee (ALCO) was needed. To reduce and eliminate risks that occurred in banking, especially Liquidity Risk, Interest Rates and Exchange Rates, cooperation and active participation from various decision makers, both in terms of assets and liabilities were required. Cooperation was successful if each decision maker knew his role and the impact of his decision on overall business profits. During 2021, ALCO held 12 (twelve) meetings.

Risk Management Committee

The Risk Management Committee was formed in order to maintain risk exposure at an acceptable and profitable limit, so that the bank's business activities could be managed and run the bank's business activities based on the prudential principle. During 2021, the Risk Management Committee held 5 (five) meetings.

Personnel Management Committee

The Personnel Management Committee was formed in order to obtain optimal results in deciding critical matters in the field of Human Capital, both strategically, policies, and the Human Capital management system in line with the Bank's Business Plan. During 2021, the Personnel Management Committee held 11 (eleven) meetings.

Information Technology Committee

As part of Information Technology (IT) governance in providing recommendations, the committee had to consider efficiency factors as part of IT governance in order to minimize risks associated with the use of IT and to protect the interests of the Bank and customers. As an embodiment of IT governance in order to minimize risks associated with the use of IT and to protect the interests of the IT Steering Committee, the IT Steering Committee 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 the POJK MRTI, ITSC played a role in assisting the implementation of the duties of the Board of Directors in establishing the Information Technology Strategic Plan and Bank policies related to the use of Information Technology. During 2021, the IT Committee held 1 (one) meeting.

Credit Committee

Credit Committee was an operational committee formed by the Board of Directors to evaluate and/or provide loan decisions for the amount and type of credit determined by the Board of Directors with due regard to business development without abandoning prudential principles including restructuring and loan settlement. During 2021 the Credit Committee carried out its duties and responsibility.

Credit Policy Committee

The Credit Policy Committee was a committee formed by the Board of Directors in the context of managing credit policies with the aim of supporting healthy lending and containing elements of internal control from the early stages of the loan activity process to the loan monitoring stage with due observance of the principle of prudence. During 2021, the Conventional Credit Policy Committee and the Financing Policy Committee carried out their duties and responsibilities well.

Product, Network and Procedure Committee

PRODUCT SECTOR PJP COMMITTEE

Product Sector Committee was a committee formed by the Board of Directors to take steps to develop products/activities in both the retail and corporate segments that could improve the Bank's ability to compete and develop in the banking world. During 2021, the PJP Product Sector Committee held 2 (one) meetings.

PJP COMMITTEE FOR NETWORKING

The Network Committee acted as a compiler for the implementation of development, status changes and/or network closures as well as determining the class of branches and sub-branches in network classification. The Network Committee functioned as a forum for policy management and monitoring effectiveness of the Bank's network to ensure success in creating optimal profits. During 2021, the PJP Network Sector Committee held 7 (seven) meetings.

PJP COMMITTEE FOR PROCEDURE

The PJP Committee for Procedure was a committee formed by the Board of Directors to evaluate and recommend the issuance or updating of the Bank's Policy and Procedure Book so that the Implementation Manual (BPP) used as a company work guideline did not deviate and was in accordance with the provisions. During 2021, the PJP Committee for Procedures held 26 (twenty-six) meetings.

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

During 2021 there was no change in the composition of the Board of Directors. Hence, the composition of the Board of Directors of Bank Jatim was 5 (five) people consisting of 1 (one) President Director and 4 (four) Directors. All Directors were domiciled in East Java Province. The composition of the Board of Directors could be seen in below.

Busrul Iman	: President Director
Rizyana Mirda	: Director of Business Risk
Tonny Prasetyo	: Director of IT and Operations
Ferdian Timur Satyagraha*	: Director of Finance
Erdianto Sigit Cahyono	: Director of Compliance and Risk Management

* Resigned since January 14, 2022

Closing

The Board of Directors would like to thank the Board of Commissioners for being an important part in the performance of Bank Jatim's business activities in the 2021 Fiscal Year. The supervision and advice given by the Board of Commissioners also provided direction for the policies taken by the management. The Board of Directors also expressed gratitude to stakeholders and shareholders, because in this era of the COVID-19 pandemic,

collaboration and synergy between various parties became the key to success in facing these challenges.

We hoped that the cooperation that had been established so far would be well maintained and continue to make a positive contribution to the sustainable management of the Bank.

Surabaya, February 23, 2022
On behalf of the Board of Directors



Busrul Iman
President Director

Board of Commissioners' Report



Muhammad Mas'ud
Independent Commissioner

Candra Fajri Ananda
Independent Commissioner

Heru Tjahjono
Commissioner

Dear Shareholders and Stakeholders,

Praise be to Allah SWT, for His mercy and grace, Bank Jatim was able to record a good performance in 2021. The Board of Commissioners appreciated the Board of Directors who were able to provide good performance in the midst of economic challenges still affected by the COVID-19 pandemic.

On this occasion, the Board of Commissioners submitted a supervisory report and provided advice to the Board of Directors throughout 2021. In this report we conveyed the performance assessment of the Board of Directors, views on business prospects prepared by the Board of Directors, views on the implementation of Bank governance, as well as the composition and changes composition of the members of the Board of Commissioners. Here we presented the supervisory report and advice from the Board of Commissioners regarding the management of the Bank for the 2021 financial year.

Board of Directors Performance Assessment

Prior to conveying the views of the Board of Commissioners on the Board of Directors' performance achievements, the Board of Commissioners conveyed the frequency and method of providing advice to the Board of Directors as well as the Board of Commissioners' supervision on strategy formulation and implementation.

Frequency and Method to Give Advice to the Board of Directors

The provision of advice from the Board of Commissioners to the Board of Directors was carried out formally and informally in various means, either through written letters or in meetings. Formal advice was provided through a meeting between the Board of Commissioners and the Board of Directors. Meanwhile, informal advice was provided through on-site visits. During 2021, the Board of Commissioners held 13 (thirteen) joint meetings with the Board of Directors.

The Board of Commissioners provided recommendations and carried out the duties and responsibilities of the Board of Commissioners. During 2021, the Board of

Commissioners issued 11 (eleven) approval letters, including approval of the proposed Organizational Structure, loans to related parties, and other approvals under the authority of the Board of Commissioners as stipulated in the Articles of Association and applicable regulations. Some of these approvals were as follows.

1. Approval of Audit Plan 2021
2. Approval of Adjustment of Bank Jatim Business Plan 2021.
3. Approval of the SO Learning Center Chart of PT Bank Pembangunan Daerah Jawa Timur Tbk.
4. Approval of the Guidelines for the Work Implementation of the Board of Directors.
5. Approval of Adjustment of Bank Jatim Business Plan 2021.
6. Approval of the 2021 Bank Business Plan Revision.
7. Approval of Changes to the 2021 Audit Plan.
8. Approval of Financing for PT Kasa Husada Wira Jatim (PT Panca Wira Usaha Jatim).
9. Approval of the Terms of Reference (KAK) and Self-Estimated Price (HPS) for the Audit Supervision Work on the Financial Statements of PT Bank Pembangunan Daerah Jawa Timur Tbk for the 2021 Financial Year.
10. Approval and Appointment of KAP to audit the Financial Statements of PT Bank Jatim for the 2021 Fiscal Year.
11. Approval of Bank Jatim Business Plan for 2022.

Supervision of Strategy Formulation and Implementation

During 2021, the Board of Commissioners carried out its duties, obligations and responsibilities in order to supervise the formulation of strategy and implementation of the Bank's strategy in accordance with applicable laws and regulations and the Bank's Articles of Association. Supervision of the formulation of the Bank's strategy

was carried out by supervising the preparation of the Bank's Business Plan and providing approval for the Corporate Plan and Business Plan. While supervising the implementation of the Bank's strategy, the Board of Commissioners carried out supervision in the following:

1. Supervising the achievement of the Bank's Business Plan.
2. Evaluating the Consolidated Financial Performance of Bank Jatim on a regular basis.
3. Performing the supervisory function of Risk Management.
4. Supervising the compliance function and review reports on the implementation 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. Actively monitoring efforts to repair and handle non-performing loans.
8. Evaluating and monitoring of policies in implementing the provision of funds to related parties as well as large/Large Exposure.

Based on FSA Regulation No. 5/POJK.03/2016 concerning the Bank's Business Plan, the Board of Commissioners was required to supervise the implementation of the Bank's Business Plan which included management policies and strategies. The results of the supervision were stated in the Supervision Report on the Implementation of the Bank's Business Plan submitted to the FSA every semester.

In 2021, the Board of Commissioners prepared and submitted a Supervision Report on the Implementation of the Bank's Business Plan to FSA as follows:

1. The Board of Commissioners' Supervision Report on the Implementation of the Second Semester of 2020 RBB.
2. Supervisory Report of the Board of Commissioners on the Implementation of the First Semester Bank Business Plan 2021.

View on The Performance of the Board of Directors

In assessing the performance of the Board of Directors, the Board of Commissioners considered several aspects as the basis for its assessment. These aspects included economic conditions, performance achievements, namely operational performance, financial performance and company soundness level. Assessment of the performance of the Board of Directors would be presented below.

Global economic growth experienced uncertainty and contracted due to the COVID-19 pandemic that occurred in mid-2020. Global economic growth in 2021 was largely supported by the economies of developed countries, especially the United States also supported by the acceleration of vaccination implementation and broad economic policy stimulus. A similar recovery also occurred in the emerging market group, which, although not as fast as the economic recovery of developed countries, still made a significant contribution to the global economy in 2021 (Bank Indonesia, 2021). Nevertheless, the pressure on the economic recovery to be higher in 2021 was influenced by various factors

such as the discovery of a new variant of COVID-19 which spread much faster than the previous variant, as well as rising inflation in various countries (World Economic Forum, January 2022).

The continued impact of the COVID-19 pandemic was also still affecting the national economy. In terms of inflation, the consumer price index (CPI) in 2021 was recorded at 1.87% (YoY), or an increase compared to inflation in 2020 which was at 1.68% (YoY). This development was influenced by the core inflation component which was relatively low, at 1.56% (YoY) or slightly decreased compared to the previous year's core inflation. The decline in core inflation was influenced by the dynamics of domestic demand which was slightly restrained due to COVID-19, exchange rate stability, maintained inflation expectations, and the impact of global price pressures on the domestic which was relatively low (Indonesian Economic Report 2021, Bank Indonesia, January 2022).

In addition to the global and national economy, the impact of the COVID-19 pandemic still continued on the banking industry. National banking performance was under pressure due to the COVID-19 pandemic. Nevertheless, the performance of the national banking system was quite conducive and began to show improvement in 2021 following the increasingly conducive economic conditions in the midst of the ongoing COVID-19 outbreak, although it was still faced with the risk of increasing loan quality deterioration.

In the midst of these economic conditions, the Board of Directors was able to face the challenges and opportunities that occurred by recording good performance in 2021. From an operational perspective, total consumer loans in 2021 reached IDR 26.31 trillion, an increase of 1.25% compared to 2020 which amounted to IDR 25.99 trillion. Micro, Retail and Program Loans disbursed loans of IDR 4.98 trillion, an increase of 19.38% compared to 2020 of IDR 4.17 billion. Third party funds in 2021 reached IDR 81.87 trillion, an increase of 21.87% compared to 2020 of IDR 66.65 trillion.

From the financial side, Bank Jatim also recorded good performance in 2021. Net interest and sharia income in 2021 reached IDR 4,677,681 million, an increase of 15.29% compared to the previous year which reached IDR 4,057,270 million. Profit for the year in 2021 reached IDR 1,523,070 million, an increase of 2.29% compared to the previous year which reached IDR 1,488,962 million. Equity in 2021 reached IDR 10,910,539 million, an increase of 9.05% compared to the previous year which reached IDR 10,004,948 million. The total assets of Bank Jatim in 2021 reached IDR. 100,723,330 million, an increase of 20.45% from last year's IDR 83,619,452 million.

In addition to operational and financial performance, the soundness of the bank was also one of the considerations for the Board of Commissioners in evaluating the performance of the Board of Directors. The Bank's soundness level was assessed based on POJK. 4/POJK.03/2016 concerning Rating of Commercial Bank Soundness using a risk approach (risk-based bank rating). The assessment of the soundness of the bank was carried out on the risk and performance of the bank which could be seen from the final rating of the assessment results.

Assessment of bank soundness using a risk approach (risk based bank rating) which included 4 (four) risk factors. These factors were Risk Profile, Good Corporate Governance (GCG), Profitability (Earnings) and Capital. The Composite Rating (PK) of Bank Jatim's Soundness Level on December 31, 2021 was at PK 2 (Healthy).

View on Business Prospects Developed by The Board of Directors

The momentum for global economic improvement was expected to occur in the national economy, which was expected to continue in 2022 in line with the recovery process of domestic economic activity although the increase in cases of COVID-19, the Omicron variant, needed to be watched out for. Meanwhile, the capacity and development of the financial services sector in 2022 would still depend on the sentiment of economic recovery and the resolution of COVID-19.

After considering the economic conditions, the Board of Commissioners believed that the business prospects 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 existing opportunities, namely shifting people's behavior in the use of banking technology, the demographic landscape of the millennial age population as active users of the internet and e-commerce, the potential for digital economy and finance, synergy and collaboration with the government and the financial industry. In other non-financial sectors, Bank Jatim's market share was still large, especially for Civil Servants (PNS) and regional-based economic development programs in East Java Province. This was supported by the strengths of Bank Jatim, in particular the support of shareholders, both the Provincial Government and Regency/City Governments, the Bank's relatively high resilience and capital adequacy, captive market ownership and accessibility of government spending in East Java Province, and collaboration with various parties, such as fintech and BPR.

Views on the Implementation of Bank Governance

Bank Jatim committed to implementing Good Corporate Governance and always referred to the applicable regulations. The implementation of good corporate governance (GCG) at the Bank was also based on implementation guidelines 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 necessary advice/opinions on any strategic actions/activities in order to achieve the Bank's objectives. The Board of Commissioners was of the view that the implementation of GCG in the Company has been running well. This could be seen in the following GCG components.

Risk Management

Risk Management was a risk management activity through a process of identification, measurement, monitoring, and control of the portfolio to estimate potential losses that might occur. With the implementation of risk management, it was expected

that the risks that could potentially occur could be mitigated and minimized.

The Risk Management framework was contained in the Bank Jatim Risk Governance Structure including three main parts, namely Risk Oversight, Risk Policy and Management, and Risk Identification, Measurement, Mitigation, and Control. The three main sections were supported by the Audit Work Unit in ensuring the effectiveness of their implementation.

The Board of Commissioners and the Board of Directors actively approved and evaluated risk policies and strategies periodically. The policies and strategies determined by the Board of Commissioners were used as a reference by the Board of Directors to carry out the company's goals and have considered risk tolerance and its impact on capital, describe and communicate risk policies and strategies to all relevant Work Units and evaluate their implementation.

The duties, responsibilities and authorities of the Board of Commissioners related to active supervision in Risk Management activities included, 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. Good understanding of the types and levels of risks inherent in the Bank's business activities.
3. Approving the Risk Management policy including the Risk Management strategy and framework determined in accordance with the Bank's risk appetite and risk tolerance.
4. Evaluating Risk Management policies and Risk Management Strategies at least 1 (one) time a year or more frequently when something that could significantly affect happened the Bank's business activities.
5. Evaluating the responsibilities of the Board of Directors and providing direction for improvements to the implementation of Risk Management policies on a regular basis to ensure that the Board of Directors managed the Bank's activities and risks effectively.

As a bank that had a vision of encouraging regional economic growth and participating in developing small and medium-sized businesses that focused on providing loans to the MSME sector, it was strongly influenced by changes in the business climate such as inflation and competition with foreign products. Hence, more and more foreign products entered Indonesia as a result of the free trade that Indonesia was participating in. Efforts to minimize these negative impacts were carried out through risk management based on prudential principles to ensure healthy and sustainable growth of the Bank's performance.

Risk management as an inseparable ingredient in business growth and daily business activities of the Bank was carried out in various efforts, including:

1. Presenting an opinion from a risk point of view on each new activity and bank product, including the addition of the Bank's service network.
2. Continuously improving operational policies and procedures, adjust risk tolerance limits to ensure an optimal balance between asset quality and business profitability.
3. Keeping the implementation of risk management in line with changes in the macro economy as well as the business development of Bank Jatim.

In accordance with FSA Regulation No. 18/POJK.03/2016 concerning Application 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). The Board of Commissioners was of the view that the implementation of risk management at Bank Jatim had gone well. This could be seen from the results of the self-assessment of the Bank's risk profile as of December 2021, namely, rank 2 (PK-2) with an inherent risk rating of low to moderate and a Risk Management Implementation Quality (KPMR) rating of Fair.

The Board of Commissioners through the Risk Monitoring Committee assessed that the adequacy of risk management was effective and adequate as reflected in:

1. Adequacy of Risk Management policies and procedures as well as determination of effective Risk limits which include, among others:
 - a. Determination of the use of measurement methods and Risk Management information systems.
 - b. Determination and determination of Risk limit.
 - c. Determination of Risk rating
 - d. Preparation of contingency plans in the worst case scenario
 - e. Determination of the internal control system in the application of Risk Management.
2. Adequacy of risk identification, measurement, monitoring and control processes, and an adequate Risk Management Information System.

The Bank also continuously evaluated the effectiveness of the risk management system. The evaluation included adjustments to the strategy and risk framework as part of the risk management policy, the adequacy of the risk management information system and the adequacy of the risk identification, measurement, monitoring and control processes.

One form of evaluation of risk management policies was the evaluation of 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 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 2021 was quite adequate. Evaluation of the implementation of risk management was carried out periodically. The evaluation results were then submitted to various levels of management as well as to relevant external parties such as the Financial Services Authority.

Internal Control System

In order to create and improve the quality of risk management implementation supporting the effectiveness of the risk-based Bank supervision framework, Bank Jatim was required to have a reliable and effective Internal Control System (SPI) in managing its risks determined by the Bank's management on an ongoing basis, in order to:

1. Maintain and secure the assets of the Bank.
2. Ensure the availability of more accurate reports.
3. Improve compliance with applicable regulations.
4. Reduce the financial impact or the impact of losses, irregularities including fraud and violations of prudential aspects.

5. Improve organizational effectiveness and improve cost efficiency.

The Board of Commissioners was of the view that the implementation of the internal control system at Bank Jatim had been running well. The Board of Commissioners and the Board of Directors provided direction on the results of the audit report on the Adequacy of the Internal Control System that had been carried out by the Internal Audit Division by holding regular coordination meetings related to issues that became obstacles to the Bank's operations and the achievement of bank performance including discussions related to the findings of the Internal Audit within a certain period. The Board of Commissioners and the Board of Directors considered that the adequacy of the internal control system had been effective and adequate.

Bank Jatim implemented internal controls in accordance with the Committee of Sponsoring Organizations of The Treadway Commission (COSO) Internal Control Framework as follows:

1. Control environment. Control environment factors included ethical values, and competence of people and entities, management philosophy and operating style that prioritizes integrity and corporate values implemented in management control as a reference as a standard of corporate behavior. The Board of Commissioners also monitored the evaluation of the implementation of internal control made by the internal auditors and external auditors with the aim of ensuring that there were improvements to bank problems that could reduce the effectiveness of internal controls. Management also strived to place individuals with integrity, competence and effectiveness in their work (right man in the right place).
2. Risk assessment. Management identified, analyzed, measured risks to ensure the adequacy that the risks in a company were managed in accordance with the risk appetite relevant to the bank's business and operations in order to achieve the established business plan, by establishing risk identification criteria and risk management to generate reliable financial reports.
3. Control activities. The actions taken by management in the context of internal control related 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. It was performed by taking steps including evaluating or updating policies and procedures, as well as evaluating the overall security of business functions and applications and networks included in Business Continuity Management.
4. Information and communication. It strengthened effective communication lines 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 to employees, designed to provide reasonable assurance about the achievement of objectives company.
5. Monitoring. In order to ensure the quality of internal control continuously and periodically and had been running and the necessary improvements had been made according to existing conditions, it was necessary to carry out continuous monitoring (on going monitoring). Monitoring on the first

line of defense was in the form of an Internal Control System attached to each risk taking unit, while monitoring carried out by the second line of defense on the first line of defense had to be carried out proactively and continuously in each risk taking unit.

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

1. Directors
The Bank's Board of Directors had the responsibility to create and maintain an effective internal control system and ensure that the system run safely and reliably in accordance with the internal control objectives set by the Bank. Meanwhile, the Director in charge of the compliance and risk management functions had to play an active role in preventing irregularities by establishing policies related to the precautionary principle and conducting socialization to all employees.
2. Board of Commissioners
The Bank's Board of Commissioners was responsible for supervising the implementation of internal control in general, including the policies of the Board of Directors that determine the internal control.
3. Internal Audit Unit (SKAI)
Internal Audit Unit (SKAI) had to be able to evaluate and play an active role in improving the effectiveness of the Internal Control System on an ongoing basis in relation to the implementation of the Bank's operations that had the potential to cause losses in achieving the targets set by the bank's management. In addition, the Bank needed to pay attention to the implementation of an independent internal audit through an adequate reporting channel, and the expertise of the internal auditor, especially to 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 officials and employees, encouraged an adequate risk culture and compliance culture, and accelerated the process of identifying unhealthy banking practices and the organization through an efficient early detection system.
5. External parties
Bank external parties included the Financial Services Authority, Bank Indonesia, external auditors, and bank customers who had an interest in the implementation of a reliable and effective bank SPI.

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 Strategy 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 success of implementing an anti-fraud strategy as a whole was highly dependent on the commitment and enthusiasm of the Board of Commissioners and the Board of Directors to foster an anti-fraud culture and awareness at all levels of the Bank's organization. One

of them was by making a written commitment called the Anti Fraud Declaration signed by the Board of Commissioners, the 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 the implementation of the Whistleblowing System (WBS).

Prevention and detection measures as well as identification of potential vulnerability risks were an early warning system for the operational process. Identification of findings that indicated fraud was implied in the whistleblowing policy and mechanism. Through this mechanism, it was expected to detect early on the occurrence of a violation and could increase the level of participation of employees, customers and other stakeholders in reporting a violation and be used as an early warning for the possibility of a violation at Bank Jatim.

There were 2 (two) types of violations, namely disciplinary violations and indisciplinary violations related to code violations processed through the Human Capital Division, and the actions were in the form of Coaching, Mentoring and Counseling related to disciplinary violations, which types of violations could later be processed and investigated by the Internal Audit Division. .

As a form of Bank Jatim's commitment to implementing an anti-fraud strategy and a violation complaint mechanism and ensuring protection for whistleblowers with good intentions, the Bank was obliged to:

1. Banks were obliged to protect whistleblowers.
2. The protection provided by banks to whistleblowers was intended to encourage whistleblowers to report fraud complaints in a clear, detailed and transparent manner.
3. Whistleblower protection included protection of the identity of the whistleblower and the contents of the report.
4. The Bank was committed to protecting whistleblowers with good intentions, and the bank would comply with all relevant laws and regulations as well as applicable best practices in protecting whistleblowers.
5. All reports of fraud complaints was guaranteed confidentiality and security by the Bank and whistleblowers could obtain information regarding the progress of the complaint.
6. The Bank provided protection to the bank's internal employee whistleblowers from the following:
 - Dismissal.
 - Demotion.
 - Discriminatory.
 - Intimidation.
 - Other protections in accordance with applicable laws and regulations.

Bank Jatim continued to strive to improve the understanding and concern of employees and other parties to report violations through a whistleblower facility so that it was expected to be able to create a clean and integrity work environment. In this regard, the following steps had been taken:

1. Conducting an Anti Fraud Strategy (SAF) program, including surprise audits (Operational and Credit).
2. Conducting socialization related to the implementation of anti-fraud strategy and whistleblowing system at the exit meeting of audit results and employees, including new employees.

3. Providing material related to the implementation of anti-fraud strategies and the whistleblowing system in the education schedule for employee promotion programs.
4. Developing the SAF system

The Board of Commissioners was of the view that the management of the Whistleblowing System at Bank Jatim had been running well. In 2021, there were 11 (eleven) reports through the whistleblower facility. Of the 11 (eleven) reports, 10 (ten) complaints had been processed and 1 (one) complaint was not proven.

Regarding WBS implementation, the Board of Commissioners had a role in reviewing the results of special audit reports from WBS reports audited by the Special & Assurance Sub Division. The Special Audit Report was further reported in the Semester Report on the Implementation of Anti-Fraud Strategy by the Operational & Financial Audit Sub-Division.

Performance Assessment of Committees under the Board of Commissioners

In order to improve 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, Remuneration and Nomination Committee, and the Risk Monitoring Committee. Performance appraisal of the Committees under the Board of Commissioners was carried out periodically (annually).

The evaluation criteria for the Committees under the Board of Commissioners were based on the Key Performance Indicators (KPI) determined for each Committee under the Board of Commissioners. KPI Committee under the Board of Commissioners consisted of 3 (three) aspects, namely Active Supervision, Passive Supervision and Competency Development. The Board of Commissioners considered that during 2021 the Committees carried out their duties and responsibilities quite effectively and worked independently and provided useful input/recommendations for the Board of Commissioners.

The details of the KPIs of the Committees under the Board of Commissioners and their achievements throughout 2021 are presented as follows.

Audit Committee

Active Surveillance

1. Audit Committee meetings during 2021 were held 13 times.
2. Coordination Meetings with related Divisions during 2021 were held 11 times.
3. The implementation of visits to branches in order to carry out the supervisory function in 2021 was carried out according to the target.

Passive Surveillance

1. Reviewing the projection of financial information and other reports related to financial information carried out in accordance with the provisions and on time according to the target.

2. Providing recommendations to the Board of Commissioners regarding the appointment of an Accountant based on independence, scope of assignment, and service fees carried out in accordance with the provisions.
3. Reviewing the implementation of the audit by the internal auditor and supervising the implementation of follow-up by the Board of Directors on the findings of the internal auditor carried out in accordance with the provisions and on time according to the target.
4. Evaluating the results of the Annual Historical Financial General Audit from KAP (Public Accounting Firm) in accordance with the provisions.
5. Following-up Evaluation/Monitoring of General Audit Findings from Internal & External Parties in accordance with the provisions and on time.
6. Monitoring the implementation of GCG was carried out in accordance with the provisions and on time according to the target. Evaluation of the Audit Plan from the Internal Audit Division for Approval of the Implementation of the Audit Plan in accordance with the provisions

Competency Development

The implementation of the Workshop/seminar/Audit Committee in 2021 was only carried out 1 (once).

Remuneration and Nomination Committee

Active Surveillance

1. The Remuneration & Nomination Committee meeting was conducted in accordance with the set targets.
2. Coordination Meetings with related parties for Passive Supervision were carried out according to the set targets.
3. Preparation and timely submission of Committee reports.

Passive Surveillance

1. Preparing a Time Table and carrying out the nomination process for Bank Management according to the time required.
2. Developing policies and criteria for nomination of candidates for Bank Management according to the time specified.
3. Conducting performance evaluation of the Company's Management at least 2 times a year (every semester).
4. Carrying out a review and providing proposals for candidates for the Company's Management who met the requirements to the Board of Commissioners according to the time table set.
5. Developing the structure and policies on the Remuneration of the Company's Management (Board of Commissioners and Directors).
6. Preparing the amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners

Risk Monitoring Committee

Active Surveillance

1. The Risk Monitoring Committee Meeting during 2021 was held 7 times.
2. Coordination Meetings with Related Divisions during 2021 were held 7 times.
3. A visit to monitor the implementation of branch risk management in 2021 was carried out according to the target.

Passive Surveillance

1. Evaluation of the Conventional Bank Jatim Risk Profile had been carried out by the Risk Monitoring Committee in accordance with the provisions.
2. Evaluation of the Bank Jatim Sharia Unit Risk Profile had been carried out in accordance with the provisions.
3. Evaluation of the conformity of risk management policies with the implementation of Bank policies was carried out in accordance with the provisions.
4. Evaluation of the work implementation of the SKMR/Company Risk Management Division was carried out in accordance with the provisions and on time according to the target.
5. Evaluation of the work implementation of the Risk Management Committee (KOMENKO) was carried out in accordance with the provisions and on time according to the target.
6. Evaluation and Opinion on Large Exposure Loans and Board of Commissioners Approval on Related Party Loans were carried out in accordance with the provisions.
7. Monitoring and evaluating the adequacy of the process of identification, measurement, monitoring and control of Risk Management were carried out in accordance with the provisions.

Competency Development

The competency improvement program, attending education, training and seminars in 2021 was only carried out 1 (once).

Changes in Board of Commissioners' Composition

During 2021, there was a change in the composition of the members of the Board of Commissioners as explained below:

COMPOSITION OF THE BOARD OF COMMISSIONERS BEFORE THE ANNUAL GMS FOR THE FISCAL YEAR 2020

The composition of the Board of Commissioners prior to the 2020 Fiscal Year Annual GMS was 6 (six) people consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners and 2 (two) Commissioners. All of the Board of Commissioners were domiciled in East Java Province. The composition of the Board of Commissioners is as follows.

Akhmad Sukardi : President Commissioner
Rudi Purwono : Independent Commissioner

Candra Fajri Ananda : Independent Commissioner
Muhammad Mas'ud : Independent Commissioner
Budi Setiawan : Commissioner
Heru Tjahjono : Commissioner

COMPOSITION OF THE BOARD OF COMMISSIONERS AFTER THE ANNUAL GMS FOR THE FISCAL YEAR 2020

On May 3, 2021, the Annual GMS for Fiscal Year 2020 decided to change the composition of the Bank's management as follows:

1. To honorably discharge a member of the Board of Commissioners due to the end of their term of office, namely:
 - a. President Commissioner: Akhmad Sukardi
 - b. Commissioner: Budi Setiawan
 - c. Independent Commissioner: Candra Fajri Ananda
 - d. Independent Commissioner: Rudi Purwono
2. Approved the reappointment of members of the Board of Commissioners, namely Independent Commissioner Candra Fajri Ananda.

Hence, the composition of the Board of Commissioners after the Annual GMS for the Financial Year 2020 was 3 (three) people consisting of 2 (two) Independent Commissioners and 1 (one) Commissioner. All of the Board of Commissioners were domiciled in East Java Province. The composition of the Board of Commissioners is as follows.

Candra Fajri Ananda : Independent Commissioner
Muhammad Mas'ud : Independent Commissioner
Heru Tjahjono : Commissioner

Closing

On this occasion, the Board of Commissioners would like to thank and express appreciation to the Board of Directors, management and all employees. The Board of Commissioners expressed the highest appreciation for the performance that had been achieved in the 2021 Fiscal Year amidst the COVID-19 pandemic conditions. The Board of Commissioners was also grateful for the trust given by shareholders to become an important part of the banking business journey. To the stakeholders, the Board of Commissioners would like to thank you for the cooperation that had 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 bring the Bank towards better growth.

Surabaya, February 23, 2022
Board of Commissioners



Muhammad Mas'ud
Independent Commissioner



Candra Fajri Ananda
Independent Commissioner



Heru Tjahjono
Commissioner

Responsibility of 2021 Annual Report

We, the undersigned, state that all information in the 2021 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, February 23, 2022

Board of Directors




Busrul Iman
President Director
and
Acting Director of Commercial and Corporate



Rizyana Mirda
Director of Business Risk
and
Acting Director of Finance

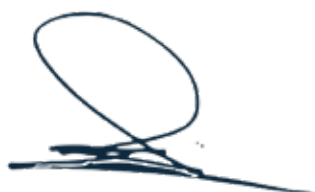


Erdianto Sigit Cahyono
Director of Compliance
and Risk Management



Tonny Prasetyo
Director of IT and Operations
and
Acting Director of Consumer, Retail
and Sharia Business

Board of Commissioners



Muhammad Mas'ud
Independent Commissioner



Candra Fajri Ananda
Independent Commissioner



Heru Tjahjono
Commissioner



Company Profile

“ Bank Jatim’s business journey began in 1961, currently Bank Jatim has 1 Head Office and 1,851 office networks consisting of Branch Offices, Sub-Branch Offices, Cash Offices, Payment Points, Car Cash/Counters and ATM/CRM.



ptm Connect



Corporate Identity

Company Name

PT Bank Pembangunan Daerah Jawa Timur Tbk.

Nick Name

Bank Jatim



Business Fields

Finance



Legal Basis of Establishment

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



Authorized Capital

IDR9,000,000,000,000



Listing on The Indonesia Stock Exchange

July 12th, 2012



SMS Banking

3366



Web

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



Date of Establishment

August 17, 1961



Ownership

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



Issued and Fully Deposited Capital

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



Stock Code

BJTM



Number of Employees

As of December 2021 as many as 4,415 people
(including Outsourced Personnel)



Call Center

14044

Office Network Data

1

Head Office

213

Cash Office

256

Payment Point

58

CRM

48

Branch Offices

172

Sub-Branch Offices

805

ATMs

104

Car Cash

Company's Address



Head Office

Jalan Basuki Rachmat 98 – 104,
Surabaya 60271
PO.BOX 917



Corporate Secretary

Umi Rodyah
Corporate Secretary Bank Jatim Head Office
Jl. Basuki Rachmat no. 98-104 Surabaya
Email: corsec@bankjatim.co.id



Investor Relations

Muhamad Fahmi
Corporate Secretary Bank Jatim Head Office
Jl. Basuki Rachmat no. 98-104 Surabaya
Email: iru@bankjatim.co.id

Contact Address

Call Center: 14044 | **SMS Banking:** 3366 | **Telp:** (62-31) 5310090-5310099 | **Fax.** (62-31) 5310838 | **Email:** info@bankjatim.co.id |

Web: www.bankjatim.co.id, www.bankjatim.id



@bankjatim



bankjatim



@bank_jatim



bank jatim

Name and Address of Branch Office or Representative Office

BRANCH OFFICE				
NAME	ADDRESS	PHONE	FAX	EMAIL AND WEB
Surabaya Main Branch	Jl. Basuki Rakhmad 98-104, Surabaya	(031) 5310090-99	(031) 5470159	Bankjatim.cabut@gmail.com www.bankjatim.co.id
Banyuwangi Branch	Jl. Basuki Rahmat no. 156 Banyuwangi	(0333) 421755/ 426755	(0333) 421555	umumsdbanyuwangi@gmail.com www.bankjatim.co.id
Jember Branch	Jl. A. Yani no. 3A RT 01 RW 03 Patrang Jember 68137	(0331) 484605-07	(0331) 428376/ 481502	akuntansi.bpdjember@gmail.com www.bankjatim.co.id
Malang Branch	Jl. Jaksa Agung Suprpto 26-28 Malang	(0341) 321961	(0341) 325085/ 365212	bankjatim_malang@yahoo.com www.bankjatim.co.id
Madiun Branch	Jl. Jawa No. 43 Madiun	(0351) 464432/ 459202/476328/ 476315	(0351) 463665/ 491499	bankjatim_madiun@yahoo.com www.bankjatim.co.id
Kediri Branch	Jl. P. Kusuma Bangsa No. 122 Kediri	(0354) 680270	(0354) 682924	bankjatimkediri@gmail.com umum.bjkediri@gmail.com www.bankjatim.co.id
Pamekasan Branch	Jl. Panglima Sudirman No. 5 Pamekasan	(0324) 322451/ 322923	(0324) 322932	bankjatim.pamekasan@gmail.com www.bankjatim.co.id
Bojonegoro Branch	Jl. Mastrip 70 Bojonegoro	(0353) 882137/ 889753	(0353) 881028/ 891772	bankjatim_bojonegoro2004@yahoo.com www.bankjatim.co.id
Lumajang Branch	Jl. Alun-alun Barat 4 Lumajang	(0334) 881683/ 882111	(0334) 882830	bankjatimlmj@gmail.com www.bankjatim.co.id
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Kraksaan Branch	Jl. Raya PB. Sudirman 144, Kraksaan	(0335) 841382/ 843184	(0335) 841124/ 842451	bankjatim_kraksaan@yahoo.com www.bankjatim.co.id
Probolinggo Branch	Jl. Soekarno-Hatta 311 Kel. Tisnonegaran Kec. Kanigaran Kota Probolinggo	(0335) 422552/ 421879	(0335) 422314	bjprob@gmail.com www.bankjatim.co.id
Blitar Branch	Jl. HOS Cokroaminoto 36-38, Blitar	(0342) 801462/ 806089/807333	(0342) 802262/ 801353	bankjatimblitar@gmail.com www.bankjatim.co.id
Tulungagung Branch	Jl. I Gusti Ngurah Rai 1, Tulungagung	(0355) 321105/ 321106/327581	(0355) 321104/ 320407	bankjatim.tulungagung@gmail.com www.bankjatim.co.id
Tuban Branch	Jl. Basuki Rakhmad 13 Tuban	(0356) 322725	(0356) 321169	bankjatimtuban017@gmail.com www.bankjatim.co.id
Mojokerto Branch	Jl. A. Yani No. 20, Mojokerto	(0321) 321261/ 323002	(0321) 396112/ 395950/ 395501	umum.mojokerto@gmail.com www.bankjatim.co.id
Sumenep Branch	Jl. Trunojoyo 49 Sumenep	(0328) 662557/ 662487	(0328) 665780	bjsumenep018@gmail.com www.bankjatim.co.id
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Situbondo Branch	Jl. Basuki Rahmat 235 Situbondo	(0338) 674982/ 672123/ 674983	(0338) 672017	bankjatim_situbondo@yahoo.com www.bankjatim.co.id
Bondowoso Branch	Jl. Letnan Karsono No.1 Bondowoso	(0332) 427456/ 427447	(0332) 423524	bankjatim_bondowoso@yahoo.com www.bankjatim.co.id
Magetan Branch	Jl. Pahlawan No. 2 Magetan	(0351) 895378/ 891441/ 895333	(0351) 894715/ 895384	bankjatim.magetan@gmail.com www.bankjatim.co.id
Dr. Soetomo Surabaya Branch	Jl. Airlangga No. 1-9 Surabaya	(031) 99453111/ 5012107	(031) 5020121	bj.sutomo@gmail.com www.bankjatim.co.id
Perak Surabaya Branch	Jl. Perak Timur 262-264 Surabaya	(031) 3282635-37	(031) 3282508/ 3299063	bankjatim_perak@yahoo.com www.bankjatim.co.id
Kangean Branch	Jl. Sriwijaya No. 431 Kec. Arjasa Kep. Kangean Sumenep	(0327) 312200/ 312030/ 312161	(0327) 312040	bankjatim034@yahoo.co.id www.bankjatim.co.id
Jakarta Branch	Jl. Thamrin Boulevard CT.LD1 No.1 CT.LD02 Jakarta Pusat	(021) 29625615-17	(021) 29625618	cabangjakarta.umum@gmail.com www.bankjatim.co.id
Batu Branch	Jl. Panglima Sudirman No. 88 Kel. Pesanggrahan Kec. Batu Batu	(0341) 511205/ 511206	(0341) 590522 /598550	bankjatimbatu@gmail.com umumbankjatimbatu@gmail.com www.bankjatim.co.id
Bawean Branch	Jl. Kawedanan No. 3, Sangkapura Bawean	(0325) 422470/ 422770/423801/ 421558	(0325) 422471	bpdjatim.bawean@gmail.com www.bankjatim.co.id
Pare Branch	Jl. Kusuma Bangsa No. 6 Pare	(0354) 397850/ 397851	(0354) 392799	bankjatimpare042@gmail.com www.bankjatim.co.id
HR. Muhammad Surabaya Branch	Jl. HR. Muhammad No. 29 Surabaya	(031) 99147557/ 99141887	(031) 99147868/ 99147763	bjtm.hrm@gmail.com www.bankjatim.co.id
Kepanjen Branch	Jl. Kawi No. 28, Kepanjen	(0341) 398140	(0341) 398141	bankjatim_kepanjen@yahoo.co.id www.bankjatim.co.id
Batam Branch	Jl. Pembangunan Komplek Ruko Citra Mas Penuin Blok A-05 Kel. Batu Selicin Kec. Lubuk Baja Kota Batam	(0778) 8071030	(0778) 7602059	bankjatimcabangbatam@gmail.com www.bankjatim.co.id

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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.



5

HELAI BULU

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



5 NEW SPIRIT OF BANK JATIM

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



3 PILLARS

- Agent of Development
- Institutional Endurance
- Services

2 MAIN BASES OF BANKING

- Good Corporate Governance
- Risk Management

Company Brief History



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

With the existence of Law no. 13 of 1962 concerning the Basic Provisions for Regional Development Banks, which require that Regional Development Banks be established by a Regional Government Regulation, the East Java Regional Government issued Regional Regulation No. 2 of 1976 dated July 10, 1976. Based on the regional regulation, the status of the Regional Development Bank from a Limited Liability Company was changed to a Regional Owned Enterprise and the change in the name of PT Bank Pembangunan Daerah Djawa Timur was changed to Bank Pembangunan Daerah Jawa Timur.

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

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

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

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

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

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

approval from Ministry of Law and Human Rights based on decree No.AHU-22728. AH.01.02. Tahun 2012 dated April 30, 2012, registered on the Company list according to Limited Company Law with registration No.AHU0038044.AH.01.09 Tahun 2012 dated April 30, 2012, as well as by Decision Letter of the Capital Market and Financial Institutions Supervisory Agency (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 July 18, 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.

At the 2020 Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk based on Deed No. 01 dated May 3, 2021 made before Notary Sitaresmi Puspawati Subianto SH, approval was obtained to grant authorization to the Board of Directors of the Company to make adjustments and codification of the Articles of Association of PT Bank Pembangunan Daerah Jawa Timur Tbk.

Bank Jatim made adjustments and codifications to the Articles of Association of PT Bank Pembangunan Daerah Jawa Timur Tbk based on the Deed of Restatement of Meeting Resolutions of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 95 dated May 31, 2021 made before Sitaresmi Puspawati Subianto SH, Notary in Surabaya, and she obtained acceptance Notice from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0387989 dated June 21, 2021.

Description of Name Change

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

Vision, Mission, & Corporate Culture

VISION

TO BECOME "BPD NO. 1" IN INDONESIA



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

In order to ensure the suitability of the Vision and Mission of Bank Jatim that has been running so far, Bank Jatim always reviews the Vision and Mission on a regular basis. In 2021, the Vision and Mission of Bank Jatim had been discussed and approved by the Board of Commissioners and the Board of Directors during the final presentation of the preparation of the 2022-2026 Corporate Plan which was held on December 16, 2021

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.
- Use company property in a responsible manner.
- Have the courage to put forward suggestions, opinions and criticism objectively and openly.

TRUST

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

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



SYNERGY

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

RESPECT

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

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

COLLABORATION

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

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



INNOVATION

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

EAGER TO LEARN

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

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

CREATIVITY

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

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

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 Restatement of Meeting Resolutions of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 95 Dated May 31, 2021 drawn up before Sitaesmi Puspawati Subianto SH, Notary in Surabaya who has obtained Acceptance of Notification from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03- 0387989 June 21, 2021.

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:

- a. Collect funds from the community in the form of deposits, such as current accounts, time deposits, certificates of deposits, savings, and/or other similar forms;
- b. Provide Loan;
- c. Issue debt statements;
- d. Purchase, sell, or guarantee on behalf of own risk or on the orders or interests of its customers:
 1. 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;
 2. 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;
 3. State treasury papers and government guarantee letters;
 4. Bank Indonesia Certificates (SBI);
 5. Bonds;
 6. Timed trade papers in accordance with the prevailing laws and regulations;
 7. Other timed securities instruments in accordance with the prevailing laws and regulations;
- e. Transfer cash both for the interest of the Bank and of the customers;
- f. 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;
- g. Receive payments from receivables for securities and make calculations with or among third parties;
- h. Place funds from one customer to other customers in a form of securities that are not listed on the stock exchange;
- i. Conduct activities in foreign exchange and/or as a Foreign Exchange Bank by complying with the terms and conditions set by the authorized parties;
- j. Provide financing and/or carry out other activities including those based on the sharia principles in accordance with the applicable provisions; and
- k. Commence other banking business in accordance with the prevailing laws and regulations, both in domestic and overseas.

Supporting Business Activities

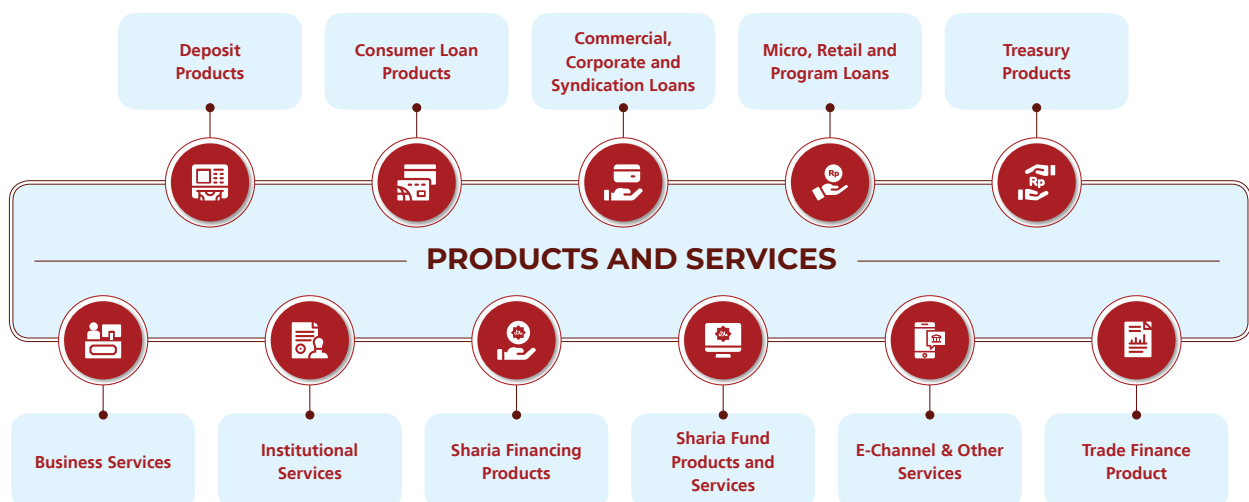
To complement primary business activities, bankjatim also carries out the following supporting business activities:

- a. Provide a safe place to store goods and securities;
- b. Conduct entrustment activities for the benefit of other parties based on a contract;
- c. 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;
- d. Conduct factoring, credit card business, and trustee activities;
- e. 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;
- f. Perform temporary capital investment activities to overcome the consequences due to loan failures or financing failures, based on sharia principles, with the provision of withdrawing the investments in compliance with the applicable provisions;
- g. Act as the founder of pension funds and manager of pension funds in accordance with the applicable pension fund regulations;
- h. 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;
- i. 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

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

RUPIAH DEPOSITS

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

FOREIGN CURRENCY DEPOSITS (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 IDR12.5 billion per year is drawn three times a year, twice for the national level and once for the regional level.

SIKLUS SAVINGS

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

MICRO AND SMALL ENTERPRISE SIKLUS SAVINGS (SIUMI)

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

FISHERMEN SIKLUS SAVINGS (SINYAL)

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



SIKLUS PRIORITAS SAVINGS

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

FOREIGN CURRENCY SIKLUS

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

SIKLUS BUNGA PLUS

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

MULTIGUNA (MULTIPURPOSE) LOAN

The provision of loans in the consumptive sector and for other purposes as long as it did not have conflict with the applicable legal regulations could be given to members of the public having a fixed income and other income with the features of multipurpose loan products, among others:

- Multiguna Loan – Employee
- Multiguna Loan – Retired
- Multiguna Loan - Pre Retirement Employees
- Multiguna Loan - Pre Retirement ENT
- Multiguna Loan - Contract Workers, First Aid, Honorary Workers and Village Apparatus
- Multiguna Loan - Retirement Widow/Widower
- Multiguna Loan – Education
- Multiguna Loan - Employee Professional Allowance/Performance Allowance/Remuneration
- Multiguna Loan - For the Board of Commissioners, Directors, and Committee Members of Bank Jatim
- Multiguna Loan - Retired Bank Jatim

EMPLOYEE LOAN & PERSONAL LOAN CAR ALLOWANCE PROGRAM

REGULAR EMPLOYEE LOAN

Loan facilities are provided for all purposes as long as they do not conflict with the general rules and regulations that apply.

EMPLOYEE LOAN - EMERGENCY NEED

The purpose of using employee loan funds – emergency needs, among others:

- Family medical expenses (Evidence of treatment).
- Tuition fees (proof of school admission).
- Wedding expenses (proof of marriage registration).
- Cost of house renovation (Expense Budget Plan).
- Costs due to unexpected disasters (chronology).
- Worship/Umrah/Hajj fees (proof of registration) Proof of use can be attached at the time of application or at the time of signing the loan agreement.

PERSONAL LOAN CAR ALLOWANCE PROGRAM (CAP)

Its use is for the procurement of official vehicles with vehicle specifications in accordance with the provisions of Bank Jatim's CAP.

MOTOR VEHICLE LOAN

Motor Vehicle Loans (KKB) is a loan with the purpose of consumer loans to prospective/debtors who need loan for motorized vehicles (KKB) for personal interest or investment to support business.

CASH COLLATERAL CREDIT

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

GOLD GUARANTEE LOAN

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

PROPERTY LOAN

A loan provided by the Bank for:

- Landed House Ownership Loans, Flat Ownership Loans, Shop House Ownership Loans or Office Homes.



- b. KPR Jatim Milia.
- c. Consumption Backed Loans for Landed Houses, Consumption Loans Backed by Flats, Consumption Loans Backed by Shops or Home Offices.

The distribution of Property Loans for the ownership of landed houses, flats and home offices or shop houses can be through or not through the developer.

COMMERCIAL, CORPORATE AND SYNDICATION LOAN



POLA KEPPRES LOAN

The Presidential Decree-Pattern Working Capital Loan is a working capital loan facility to a Contractor to complete a job based on a Work Contract with a certain ceiling where loan 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 LOAN

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

CURRENT ACCOUNT WORKING CAPITAL LOAN

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

INVESTMENT LOAN

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

PROPERTY CONSTRUCTION LOAN

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

SYNDICATED LOAN

Syndicated Loan is a loan given to the debtors by 2 (two) or more Banks/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.



LOAN TO REGIONAL PUBLIC SERVICE AGENCIES (BADAN LAYANAN UMUM DAERAH – BLUD)

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

RECEIVABLE FINANCING LOAN

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

REGIONAL GOVERNMENT LOAN

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

TRADE FINANCE LOANS

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



MICRO, RETAIL DAN LOAN PROGRAM

RETAIL JATIM LOAN

Jatim Retail Loan is one of the productive loan schemes, previously Pundi Kencana changed its name to Jatim Retail, which is owned by Bank Jatim to support prospective debtors in obtaining capital assistance, especially MSME debtors with a maximum loan limit of IDR 1 billion.

MICRO LAGUNA LOAN

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

LINKAGE BPR LOAN

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

PEOPLE'S BUSINESS CREDIT (KUR)

It is a loan/financing for working capital and/or investment to Micro, Small, Medium Enterprises and Cooperatives (UMKMK) in productive and feasible but not bankable business fields with a credit limit of up to IDR 500 million guaranteed by the Guarantee Company and criteria for potential borrowers to receive KUR in accordance with Government regulations.



CREDIT TO COOPERATIVES FOR ITS MEMBERS (KKPA)

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.

CREDIT TO COOPERATIVE (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.

KUMK SU-005/GOVERNMENT INVESTMENT CREDIT (KIP)

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

COW BREEDING BUSINESS CREDIT (KUPS)

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.

FOOD SECURITY AND ENERGY CREDIT (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.

MICRO JATIM LOAN

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

FINTECH LINKAGE LOAN

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

SiUMI LOAN

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

CREDIT BPR RC (NEWSPAPER ACCOUNT)

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





TREASURY PRODUCTS

GENERAL FOREIGN EXCHANGE (TELEGRAPHIC TRANSFER)

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

FX TODAY (FOREIGN EXCHANGE TODAY)

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

FX TOM (FOREIGN EXCHANGE TOMORROW)

FX 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 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 | • HKD |
| • GBP | • CNY |
| • EUR | • SAR |
| • SGD | • AUD |
| • JPY | • 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.



TRADE FINANCE PRODUCT



EXPORT

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

BANK TO CUSTOMER TRANSACTION EXPORT

1. Documentary Collection
 - a. D/A: namely the service of forwarding documents on orders from the Exporter/Seller to the bank to be billed for the payment to the Importer/Buyer bank through acceptance according to a certain agreed period of time.
 - b. D/P: the service of forwarding documents on orders from the Exporter/Seller to the bank to be billed for the payment to the Importer/Buyer bank on a show basis.
2. Letter of Credit Advising
Forwarding receipt of LC Master or Amendment LC to the recipient of the Export LC/seller.
3. Takeover of Export Notes (Discount).
Post shipment financing services provided by Bank Jatim on the basis of the export documents presented and have complied with the LC (Complete and Comply with) provisions.

BANK TO BANK TRANSACTION EXPORT

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

IMPORT

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

BANK TO CUSTOMER TRANSACTION IMPORT

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

BANK TO BANK TRANSACTION IMPORT

1. UPAS Financing
It is a transaction service for the purchase of imported debt by PT Bank Pembangunan Daerah Jawa Timur Tbk.

DOMESTIC TRANSACTIONS (SKBDN)

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





BUSINESS SERVICES

BANK REFERENCE

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

NATIONAL CLEARING

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

REAL TIME GROSS SETTLEMENT (RTGS)

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

INKASO RUPIAH

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

INKASO VALAS

INKASO Rupiah is a dispatch of scripts (Cheques, 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.

REMITTANCE TRANSACTION

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.



GOL OWNERSHIP

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.

JCONNECT INTERNET BANKING

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

JCONNECT MOBILE BANKING

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

JCONNECT E-KMG

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

JCONNECT E-LOAN

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

LAYANAN LAKU PANDAI (SIPANDAI BANK JATIM)

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

INFO BANK JATIM (14044)

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

BANK JATIM ATM CARD AND DEBIT CARD

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



BANK JATIM FLAZZ CARD (CO-BRANDING)

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

SAFE DEPOSIT BOX

Safe Deposit Box is Bank Jatim's service in the form of tenancy of boxes specifically designed to store assets/ securities.

CIVIL SERVANTS ELECTRONIC CARD (KPE)

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

VIRTUAL ACCOUNT

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

E-SAMSAT JATIM

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

SAMSAT DIGITAL NASIONAL (SIGNAL)

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

JATIM CODE QRIS

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

BJTM CONNECT

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



Business Area Map

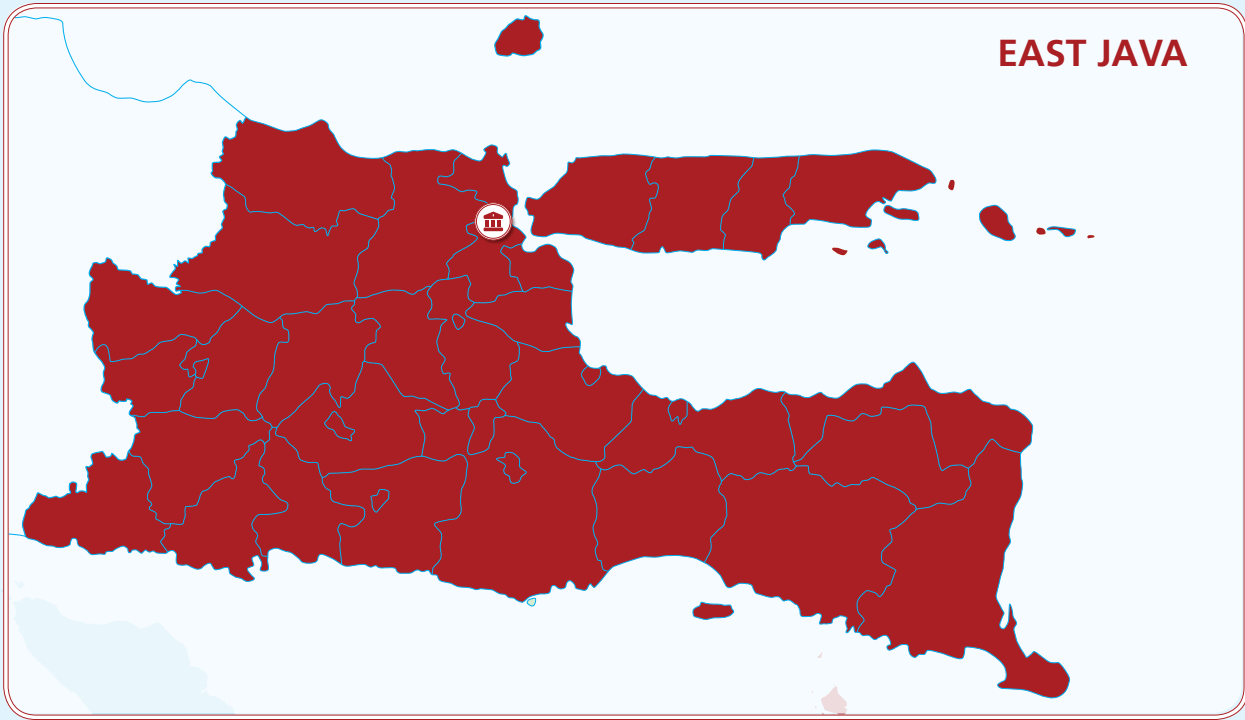


Table of Year Office Network for the last 5 years

Office Type	2021	2020	2019	2018	2017
Head Office (KP)	1	1	1	1	1
Conventional Branch Offices (KC)	41	41	41	41	41
Sharia Branch Office (KCS)	7	7	7	7	7
Conventional Sub Branch Office (KCP)	162	162	162	160	158
Sharia Sub-Branch Office (KCPS)	10	10	10	9	8
Cash Office (KK)	211	209	209	207	199
Sharia Cash Office (KKS)	2	-	-	-	-
Sharia Service Office (KLS)	195	195	191	191	191
Payment Point (PP)	248	247	249	203	183
Sharia Payment Point (PPS)	8	9	10	8	7
Car Cash (KM)	97	92	92	92	82
Sharia Car Cash (KMS)	7	6	6	6	6
Automatic Teller Machine (ATM) *	780	753	742	735	707
Sharia Automated Teller Machine (ATM)	25	24	23	22	16
Cash Recycle Machine (CRM)	51	25	-	-	-
Sharia Cash Recycle Machine (CRM)	7	2	-	-	-
Cash Deposit Machine (CDM)	-	-	2	2	2
Total	1,852	1,783	1,745	1,684	1,608

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

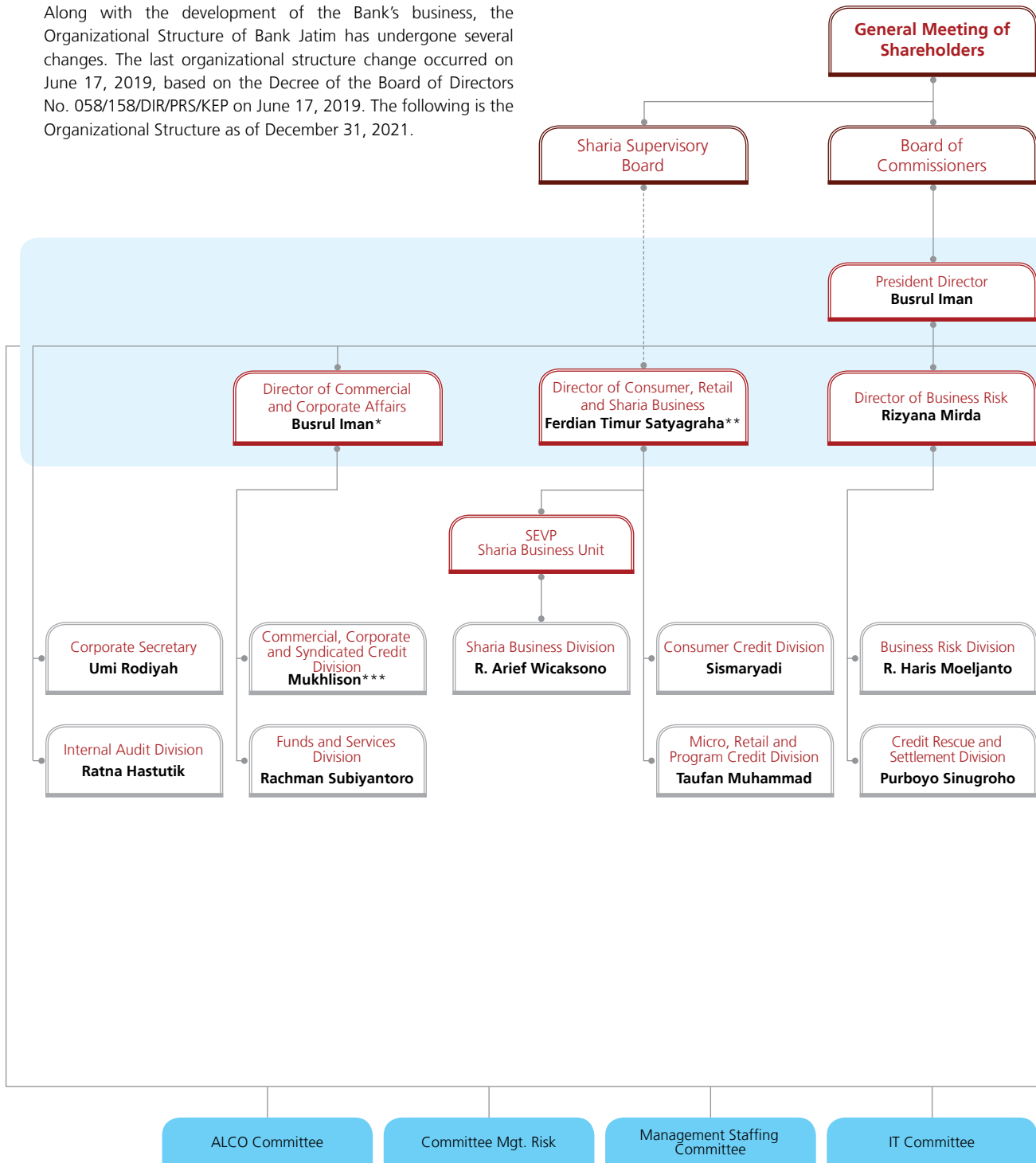
Table of Bank Jatim Offices per Region in 2021

Office Type	KC	KCP	KK	PP	KM	KCS	KCPS	KKS	KLS	PPS	KMS	ATM	ATMS	CRM	CRMS
Surabaya	4	24	28	35	10	1	3	1	40	2	1	108	5	7	1
Banyuwangi	1	6	11	7	3	-	1	-	-	-	-	27	-	2	-
Jember	1	6	6	6	2	1	-	-	26	-	1	23	2	1	1
Malang	1	5	9	26	3	1	-	-	28	1	1	25	4	2	1
Madiun	1	5	9	7	5	1	-	-	29	-	1	31	1	2	1
Kediri	1	7	9	9	4	1	-	1	31	1	1	30	4	1	1
Pamekasan	1	2	2	4	-	-	-	-	-	-	-	14	-	1	-
Bojonegoro	1	4	7	9	4	-	-	-	-	-	-	25	-	2	-
Lumajang	1	4	6	3	1	-	-	-	-	-	-	22	-	-	-
Ngawi	1	8	4	3	4	-	-	-	-	-	-	20	-	1	-
Jombang	1	3	7	7	2	-	1	-	-	-	-	12	-	2	-
Kraksaan	1	2	5	2	1	-	-	-	-	-	-	8	-	1	-
Probolinggo	1	3	3	2	2	-	1	-	-	-	-	19	-	1	-
Blitar	1	5	7	14	1	-	1	-	-	-	-	23	-	1	-
Tulungagung	1	4	5	4	2	-	-	-	-	-	-	19	-	1	-
Tuban	1	5	4	9	1	-	-	-	-	-	-	24	-	1	-
Mojokerto	1	3	4	5	4	-	1	-	-	-	-	20	-	1	-
Sumenep	1	1	4	5	1	-	-	-	-	-	-	15	-	1	-
Sampang	1	1	4	2	2	-	1	-	-	-	-	13	-	1	-
Bangkalan	1	3	4	8	1	-	-	-	-	-	-	12	-	1	-
Pasuruan	1	7	5	7	4	-	-	-	-	-	-	25	-	1	-
Nganjuk	1	4	5	14	1	-	-	-	-	-	-	18	-	2	-
Trenggalek	1	3	6	3	2	-	-	-	-	-	-	19	-	1	-
Ponorogo	1	4	6	2	10	-	-	-	-	-	-	19	-	2	-
Pacitan	1	3	2	3	2	-	-	-	-	-	-	18	-	2	-
Gresik	1	5	6	6	3	1	-	-	24	2	1	22	4	1	1
Sidoarjo	1	8	11	14	4	1	-	-	17	2	1	43	5	1	1
Lamongan	1	5	5	8	4	-	1	-	-	-	-	22	-	1	-
Situbondo	1	2	4	4	5	-	-	-	-	-	-	15	-	2	-
Bondowoso	1	3	3	2	1	-	-	-	-	-	-	18	-	1	-
Magetan	1	4	5	2	4	-	-	-	-	-	-	18	-	1	-
Kangean	1	-	1	-	1	-	-	-	-	-	-	3	-	-	-
Jakarta	1	6	-	-	-	-	-	-	-	-	-	8	-	1	-
Batu	1	1	3	4	1	-	-	-	-	-	-	9	-	1	-
Bawean	1	-	1	-	-	-	-	-	-	-	-	6	-	-	-
Pare	1	2	2	6	1	-	-	-	-	-	-	13	-	2	-
Kepanjen	1	4	8	6	1	-	-	-	-	-	-	13	-	1	-
Batam	1	-	-	-	-	-	-	-	-	-	-	1	-	1	-
Grand Total	41	162	211	248	97	7	10	2	195	8	7	780	25	51	7

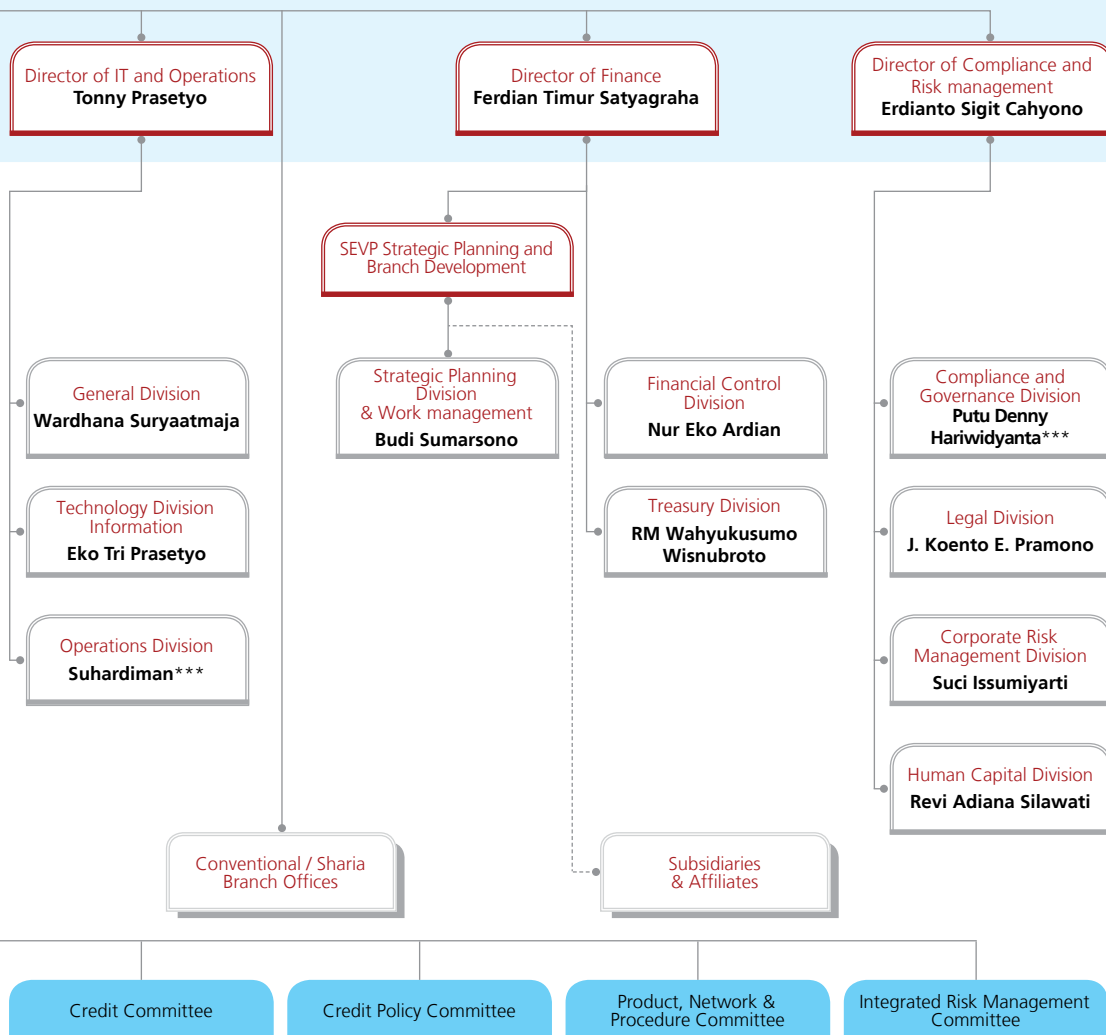
As of December 31, 2021, Bank Jatim has **1** Head Office and **1,851** office networks consisting of Branch Offices, Sub-Branch Offices, Cash Offices, Payment Points, Car Cash/Counters, and ATM/CRM.

Organizational Structure

Along with the development of the Bank's business, the Organizational Structure of Bank Jatim has undergone several changes. The last organizational structure change occurred on June 17, 2019, based on the Decree of the Board of Directors No. 058/158/DIR/PRS/KEP on June 17, 2019. The following is the Organizational Structure as of December 31, 2021.



* Acting Director of Commercial and Corporate
 ** Acting Director of Consumer, Retail and Sharia Business
 *** Acting Division Leader



Note:

- Mr. Ferdian Timur Satyagraha has resigned as a member of the Board of Directors since January 14, 2022. On January 19, 2022, the Board of Commissioners has appointed Mrs. Rizyana Mirda as Acting Director of Finance and Mr. Tonny Prasetyo as Acting Director of Consumer, Retail and Sharia Business.
- The names of the Committees under the Board of Commissioners and the Membership Structure of the Committees under the Board of Directors can be seen in the Corporate Governance section.
- Observing the Regulation of the Financial Services Authority No. 45/POJK.03/2020 concerning financial conglomerates, PT Bank Pembangunan Daerah Jawa Timur Tbk. with PT Bank Perkreditan Rakyat East Java no longer meets the criteria as a financial conglomerate.

Profile of The Board of Directors

Busrul Iman

President Director
and Acting Director of
Commercial and Corporate



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Surabaya in 1964,
57 years old as of December 2021.

Domicile

Surabaya

Educational Background

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

Certification

- Level 1 Risk Management Certification by the Risk Management Certification Agency (2006).
- Level 2 Risk Management Certification by the Risk Management Certification Agency (2008).
- Level 3 Risk Management Certification by the Risk Management Certification Agency (2012).
- Level 4 Risk Management Certification by the Professional Certification Organizing Body (2015).
- Level 5 Risk Management Certification by the Risk Management Certification Agency (2019).

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 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 PT Bank Rakyat Indonesia Tbk (2010-2012).
- Deputy Regional Head of Operations for the Palembang Regional Office of PT Bank Rakyat Indonesia Tbk (2012-2013).
- Deputy Regional Head of Business Division for the Palembang Regional Office of PT Bank Rakyat Indonesia Tbk (2013-2014).
- Deputy Regional Head of Business Division for the Lampung Regional Office of PT Bank Rakyat Indonesia Tbk (2014-2015).
- Head of Credit Restructuring & Settlement Division for Credit Risk Control at Head Office PT Bank Rakyat Indonesia Tbk (2015-2017).
- Head of Malang Regional Office PT Bank Rakyat Indonesia Tbk (2017-2018).
- Head of Policy & Human Capital Development Division Head Office PT Bank Rakyat Indonesia Tbk (2018-2019).
- Head of Surabaya Regional Office PT Bank Rakyat Indonesia Tbk (2019).
- Commercial and Corporate Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019 - 2020).
- President Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2020-present).

Legal Basis of Appointment

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

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

Appointed as Acting Director of Commercial and Corporate 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.

Period of Office

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

Double Function

Does not have concurrent positions in other companies or institutions.

Affiliate Relations

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

Bank Jatim Share Ownership

1,556,400 shares

Rizyana Mirda

Director of Business Risk and
Acting Director of Finance



Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Surabaya in 1969, 52 years old as of December 2021.
Domicile	Surabaya

Educational Background

- Bachelor's degree in Financial Management from STESIA, Surabaya (1996).
- Bachelor's degree in Business Administration from IBMT, Surabaya (1997).
- Master in Finance from STIE ABI, Surabaya (2002).
- Doctor of Economics from the University of 17 Agustus 1945, Surabaya (2021).

Certification

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

Work Experience

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

Legal Basis of Appointment

Appointed as Director of Business Risk 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 Business Risk based on a copy of the Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-188/D.03/2017 dated September 29, 2017, and Deed No. 23 dated November 7, 2019, regarding changing the board of directors' nomenclature, which was initially Director of Risk Management to Director of Business Risk.

Period of Office

2017 – Until the closing of the Annual General Meeting of Shareholders for the 2021 Financial Year (First Period).

Double Function

Does not have concurrent positions in other companies or institutions.

Affiliate Relations

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

Bank Jatim Share Ownership

3,699,333 shares

Tonny Prasetyo

Director of IT and Operations and Acting Director of Consumer, Retail and Sharia Business



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Malang in 1969, 52 years old as of December 2021.

Domicile

Mojokerto

Educational Background

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

Certification

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

Work Experience

- Situbondo Branch Manager of PT Bank Pembangunan Daerah Jawa Timur Tbk (2013-2014).
- Head of Blitar Branch of PT Bank Pembangunan Daerah Jawa Timur Tbk (2014-2015).
- Head of the Kediri Branch of PT Bank Pembangunan Daerah Jawa Timur Tbk (2015).
- Head of Loans at Main Branch PT Bank Pembangunan Daerah Jawa Timur Tbk (2015).
- Head of Sharia Business Division at 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 IT and Operations at PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-present).

Legal Basis of Appointment

Appointed as Director of IT 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 of Technology Information and Operations based on a Copy of the Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-190/D.03/2019 October 11, 2019.

Period of Office

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

Double Function

Does not have concurrent positions in other companies or institutions.

Affiliate Relations

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

Bank Jatim Share Ownership

346,000 shares

Ferdian Timur Satyagraha

Director of Finance

(Resigned since January 14, 2022)



Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Surabaya in 1982, 39 years old as of December 2021.
Domicile	Surabaya

Educational Background

- Foundation Degree English Language and Literature/Letters from Taylor University, Melbourne Australia (2001).
- Bachelor of Commerce from Deakin University, Australia (2003).
- Master of Commerce from Deakin University, Australia (2006).

Certification

- Level 1 Risk Management Certification by the Risk Management Certification Agency (2010).
- Level 2 Risk Management Certification by the Risk Management Certification Agency (2010).
- Level 3 Risk Management Certification by the Risk Management Certification Agency (2011).
- Level 4 Risk Management Certification by the Risk Management Certification Agency (2016).
- Level 5 Risk Management Certification by the Risk Management Certification Agency (2018).

Work Experience

- Manager of IRU sub-division of IRU and External Communication Corporate Secretary of PT Bank Pembangunan Daerah Jawa Timur Tbk (2012–2013).
- Analyst of Investor Relations Sub Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2013–2014).
- Acting Senior Analyst IRU Investor Relations Sub Division of PT Bank Pembangunan Daerah Jawa Timur Tbk (2014–2015).
- Head of 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 (2017–2022).

Legal Basis of Appointment

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 was declared effective by the Financial Services Authority (OJK) as Director of Finance based on a copy Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-232/D.03/2017 December 22, 2017.

Period of Office

2017 – Februari 14, 2022 (First Period).

Double Function

Does not have concurrent positions in other companies or institutions.

Affiliate Relations

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

Bank Jatim Share Ownership

2,581,833 shares

Erdianto Sigit Cahyono

Director of Compliance and
Risk Management



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Pasuruan in 1962,
59 years old as of December 2021.

Domicile

Malang

Educational Background

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

Certification

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

Work Experience

- Head of Pagaram Branch Palembang Regional Office PT Bank Rakyat Indonesia Tbk (1995-1998).
- Head of Muara Enim Branch Palembang Regional Office PT Bank Rakyat Indonesia Tbk (1998-2001).
- Head of Probolinggo Branch Surabaya Regional Office PT Bank Rakyat Indonesia Tbk (2001-2003).
- Head of Jakarta Pasar Minggu Branch Jakarta Regional Office PT Bank Rakyat Indonesia Tbk (2003-2006).
- Head of Surabaya Branch Kaliasin Surabaya Regional Office PT Bank Rakyat Indonesia Tbk (2006-2009).
- Deputy Head of Service Division Head Office PT Bank Rakyat Indonesia Tbk (2009-2010).
- Deputy Regional Manager for the Palembang Office of PT Bank Rakyat Indonesia Tbk (2010-2011).
- Deputy Regional Manager for the Malang Office of PT Bank Rakyat Indonesia Tbk (2011-2013).
- Inspector of PT Bank Rakyat Indonesia Tbk Banjarmasin (2013-2014).
- Head of Micro Business Development Division Head Office PT Bank Rakyat Indonesia Tbk (2014-2015).
- Regional Head of Palembang Office 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 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).

Legal Basis of Appointment

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 a Copy of the Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-189/D.03/2019 October 11, 2019.

Period of Office

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

Double Function

Does not have concurrent positions in other companies or institutions.

Affiliate Relations

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

Bank Jatim Share Ownership

305,600 shares

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

In 2021 there was no change in the composition of the Board of Directors. So that the composition of the Board of Directors of Bank Jatim is 5 (five) people consisting of 1 (one) President Director and 4 (four) Directors, all Directors are domiciled in East Java Province. The composition and basis for the appointment of the Board of Directors can be seen in the table below.

Table of Composition and Basis of Appointment of Directors

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



Profile of The Board of Commissioners

Candra Fajri Ananda

Independent Commissioner



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Lumajang in 1964, 57 years old as of December 2021.

Domicile

Batu, Malang

Educational Background

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

Certification

- Debriefing and strengthening the preparation of the Fit and Proper Test for Independent Commissioner candidates held by the Sustainable Development Goals (2018).
- Board of Commissioners Level 2 Risk Management Certification held by the Risk Management Certification Agency on (2018).

Work Experience

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

Legal Basis of Appointment

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

Appointed for the second time at the Annual General Meeting of Shareholders (GMS) for the Fiscal Year 2020, which will be held on May 3, 2021 (Second Period)

Period of Office

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

Double Function

- Lecturer of Master's Degree KPS, Master's Degree KPS Faculty of Economics and Business Universitas Brawijaya (1989 - present).
- Special Staff to the Minister of Finance of the Republic of Indonesia (2019-present).
- Chairman of the Risk Monitoring Committee (11 June 2021 - present).
- Chairman of the Audit Committee (11 June 2021 - present).
- Member of the Remuneration and Nomination Committee (11 June 2021 - present).

Affiliate Relations

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

Muhammad Mas'ud

Independent Commissioner



Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Sidoarjo in 1964, 57 years old as of December 2021.
Domicile	Surabaya

Educational Background

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

Certification

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

Work Experience

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

Legal Basis of Appointment

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

Period of Office

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

Double Function

- Postgraduate Director of the Islamic University of Malang (2018-present).
- Chairman of the Remuneration and Nomination Committee (11 June 2021 - present).
- Member of the Risk Monitoring Committee (11 June 2021-present).
- Member of the Audit Committee (29 November 2019 - present).

Affiliate Relations

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

Heru Tjahjono

Commissioner



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Yogyakarta in 1961, age 60 as of December 2021.

Domicile

Surabaya

Educational Background

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

Certification

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

Work Experience

- Acting Head of Physical and Infrastructure Division of Bappeda Tulungagung Regency (1997).
- Acting Head of the Tulungagung District DPUD (1997–2001).
- Acting Head of the PPW Public Works Sub-Department of Tulungagung Regency (2001–2003).
- Regent of Tulungagung Regency (2003-2013).
- Staff of the Governor of East Java Province (2013–2014).
- Head of the Department of Fisheries and Marine Affairs of East Java Province (2014-2016).
- Head of the Department of Marine Affairs and Fisheries of East Java Province (2016–2018).
- Regional Secretary of East Java Province (2018-2022).
- Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-present).

Legal Basis of Appointment

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

Period of Office

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

Double Function

Member of the Remuneration and Nomination Committee (29 November 2019 - present).

Affiliate Relations

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

Bank Jatim Share Ownership

141,400 shares

Akhmad Sukardi

President Commissioner

(stop serving since May 3, 2021)



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Sumenep in 1958,
63 years old as of December 2021.

Domicile

Surabaya

Educational Background

- Bachelor's degree in Accounting from STIKI Finance, Surabaya (1986).
- Master in Management from Airlangga University, Surabaya (1998).
- Doctor of Administrative Sciences from the University of 17 Agustus 1945, Surabaya (2008).

Certification

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

Work Experience

- Staff of the Bookkeeping Division of the Regional Government Finance Bureau Level I (1985-1988).
- Head of Sub-Division of Budget Development Level I, Bureau of Finance (1988-1990).
- Head of the Development Budget Subdivision of the East Java Province Finance Bureau (1990-1994).
- Head of the Budget Division of the East Java Provincial Finance Bureau (1994-2000).
- Head of the Finance Bureau of the Regional Secretariat of East Java Province (2000-2003).
- Head of the East Java Provincial Revenue Service (2003-2009).
- Assistant for Administration and General 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 – 2021).

Legal Basis of Appointment

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

Period of Office

2018 – Until May 3, 2021 (First Period).

Double Function

Does not have concurrent positions in other companies or institutions.

Affiliate Relations

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

Bank Jatim Share Ownership

833,600 shares

Budi Setiawan

Commissioner

(stop serving since May 3, 2021)



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Ponorogo in 1958,
age 63 as of December 2021.

Domicile

Surabaya

Educational Background

- Engineer in the field of Socio-Economic Faculty of Agriculture from the National Development University "Veterans" East Java (1985).
- Master in Technology Management from the Sepuluh Nopember Institute of Technology, Surabaya (2002).
- Master in Economics from Brawijaya University Malang (2008).
- Doctor of Economics from Brawijaya University Malang (2012).

Certification

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

Work Experience

- Head of Economic Division of Bappeda East Java Province (2005-2010).
- Head of the Economic Administration Bureau of the Regional Secretariat of East Java Province (2010-2011).
- Head of the East Java Province Industry and Trade Service (2011-2014).
- Head of the Regional Financial and Asset Management Agency (BPKAD) of 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 (2018-2021).

Legal Basis of Appointment

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

Period of Office

2018 – Until May 3, 2021 (First Period).

Double Function

Does not have concurrent positions in other companies or institutions.

Affiliate Relations

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

Rudi Purwono

Komisaris Independen

(stop serving since May 3, 2021)



Kewarganegaraan

Independent Commissioner

Place and Date of Birth/Age

Born in Surabaya in 1969,
52 years old as of December 2021.

Domicile

Surabaya

Educational Background

- Bachelor of Economics from Airlangga University, Surabaya (1994).
- Master in Economics with a specialization in Monetary Economics from the University of Indonesia (2004).
- Doctor of 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 Chair II of the East Java Provincial 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 Universitas Airlangga (2010-2020).
- Independent Commissioner of PT Bank Pembangunan Daerah Jawa Timur Tbk (2016 – present).
- Deputy Director for Academic Affairs, Student Affairs and Alumni of the Airlangga University Postgraduate School (2020-2021).

Legal Basis of Appointment

Appointed as Independent Commissioner for the first time at the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 24, 2016. Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as Independent Commissioner based on a copy Decision of the Board of Commissioners of the Financial Services Authority (OJK) No. SR-188/D.03/2016 dated September 16, 2016. Then he was reappointed for a second term as Independent Commissioner at the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. The fiscal Year 2017 is on February 20, 2018, until the closing of the 2020 annual GMS, held in 2021.

Period of Office

2016 – Until the closing of the 2017 Annual GMS (First Period).
2018 – Until May 3, 2021 (Second Period).

Double Function

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

Affiliate Relations

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

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

During 2021, there has been a change in the composition of the members of the Board of Commissioners as explained below:

Composition of The Board of Commissioners Before the Annual GMS for The Fiscal Year 2020

The composition of the Board of Commissioners before the 2020 Fiscal Year Annual GMS is 6 (six) people consisting of 1 (one) President Commissioner, 3 (three) Independent Commissioners, and 2 (two) Commissioners. All of the Board of Commissioners are domiciled in East Java Province. The composition and basis for the appointment of the Board of Commissioners can be seen in the table below.

Table of Composition and Basis of Appointment of the Board of Commissioners Before the Annual GMS for Fiscal Year 2020

Name	Position	Executor	Basis of Appointment	Effective Date
Akhmad Sukardi	President Commissioner	FSA	Annual GMS for Fiscal Year 2017 dated February 20, 2018	August 9, 2018
Rudi Purwono	Independent Commissioner	FSA	Extraordinary GMS on June 24, 2016	September 16, 2016
Candra Fajri Ananda	Independent Commissioner	FSA	Annual GMS for Fiscal Year 2017 dated February 20, 2018	September 21, 2018
Muhammad Mas'ud	Independent Commissioner	FSA	Extraordinary GMS on July 19, 2019	October 11, 2019
Budi Setiawan	Commissioner	FSA	Annual GMS for Fiscal Year 2017 dated February 20, 2018	August 9, 2018
Heru Tjahjono	Commissioner	FSA	Extraordinary GMS on July 19, 2019	October 11, 2019

Composition of The Board of Commissioners after The Annual GMS for The Fiscal Year 2020

On May 3, 2021, the Annual GMS for Fiscal Year 2020 decided to change the composition of the Bank management as follows:

- Dismiss with honor a member of the Board of Commissioners due to the end of his term of office, namely:
 - President Commissioner : Akhmad Sukardi
 - Commissioner : Budi Setiawan
 - Independent Commissioner : Candra Fajri Ananda
 - Independent Commissioner : Rudi Purwono
- Approved the reappointment of members of the Board of Commissioners, namely Independent Commissioner Candra Fajri Ananda.

So that the composition of the Board of Commissioners after the Annual GMS for the Financial Year 2020 is 3 (three) people consisting of 2 (two) Independent Commissioners and 1 (one) Commissioner. All of the Board of Commissioners are domiciled in East Java Province. The composition and basis for the appointment of the Board of Commissioners can be seen in the table below.

Table of Composition and Basis of Appointment of the Board of Commissioners after the Annual GMS for Fiscal Year 2020

Name	Position	Executor	Basis of Appointment	Effective Date
Candra Fajri Ananda	Independent Commissioner	FSA	Annual GMS for Fiscal Year 2017 dated February 20, 2018	September 21, 2018
Muhammad Mas'ud	Independent Commissioner	FSA	Extraordinary GMS on July 19, 2019	October 11, 2019
Heru Tjahjono	Commissioner	FSA	Extraordinary GMS on July 19, 2019	October 11, 2019



Profile of The Board of Sharia Supervisory

Drs. KH. Afifuddin Muhajir, M.Ag Chairman of the Sharia Supervisory Board



Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Sampang in 1955, age 66 as of
December 2021.

Domicile

Situbondo

Educational Background

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

Certification

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

Work Experience

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

Legal Basis of Appointment

Appointed as Chairman of the Sharia Supervisory Board for the first time at the Annual General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk. The fiscal Year 2018 is on April 26, 2019.

Period of Office

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

Double Function

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

Affiliate Relations

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

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

Member of Sharia Supervisory Board



Citizenship	Indonesian citizens
Tempat dan Tanggal Lahir/Usia	Born in Mojokerto in 1954, age 67 as of December 2021.
Domicile	Malang

Educational Background

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

Certification

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

Work Experience

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

Legal Basis of Appointment

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

Period of Office

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

Double Function

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

Affiliate Relations

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

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

Members of the Sharia Supervisory Board consist of a minimum of 2 (two) people and a maximum of 3 (three) people, one of whom is the Chairman. Members of the Sharia Supervisory Board are appointed by the GMS or on the recommendation of the National Sharia Board – Indonesian Ulema Council following the prevailing laws and regulations, without prejudice to the right of the GMS to dismiss members of the Sharia Supervisory Board at any time following the laws and regulations. The composition and basis for the appointment of the Sharia Supervisory Board can be seen in the table below.

Table of Composition and Basis of Appointment of the Sharia Supervisory Board

Name	Position	Executor	Basis of Appointment	Effective Date
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	FSA	2018 Fiscal Year GMS on April 26, 2019	Februari 28, 2020
Dr. H. M. Saad Ibrahim, MA	Mem-ber	FSA	2018 Fiscal Year GMS on April 26, 2019	Februari 28, 2020

Profile of Head of Division (Executive Officer)



Umi Rodiyah

Head of Corporate Secretary

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Probolinggo in 1966. 55 years old as of December 2021.

Domicile

Surabaya

Educational Background

Bachelor of State Administration from Brawijaya University (1991).

Legal Basis of Appointment

Since 2021, he has served as Head of Corporate Secretary based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.

Work History

Joined Bank Jatim in 1994. Before his current position, he served as Head of Operations for the Probolinggo Branch (2009), Head of the Perak Branch (2010), Head of Sub-Division of Foreign Affairs and Foreign Services Division (2015), Head of Branch Business Division Utama (2016), Head of Main Branch Operations (2017), Corporate Secretary (2018), Head of Institutional and Business Relations Division (2018), Head of Funds and Services (2021).



Ratna Hastutik

Head of Internal Audit Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Bojonegoro in 1965. 56 years old as of December 2021.

Domicile

Sidoarjo

Educational Background

- Bachelor of Psychology from UPB (1990).
- Master of Law, University of 17 Agustus 1945 Surabaya (2020).

Legal Basis of Appointment

Since 2021, he has served as the Head of the Internal Audit Division based on the Decree of the Board of Directors No. 060/319/DIR/HCP/KEP dated December 31, 2021.

Work History

Joined Bank Jatim in 1994. Before his current position, he served as Head of Sampang Branch Operations (2010), Ngawi Branch Manager (2014), Madiun Branch Manager (2017).



Rachman Subiyantoro

Head of Funds and Services Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Sumenep in 1969. 52 years old as of December 2021.

Domicile

Surabaya

Educational Background

- Bachelor of Administrative Sciences from Wiraraja Sumenep University (1997).
- Master of Law University 17 Agustus 1945 Surabaya (2020).

Legal Basis of Appointment

Since 2021 he has served as the Head of the Funds and Services Division based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.

Work History

Joined Bank Jatim in 1993. Before his current position, he served as Head of Bid. Cab Operations. Blitar (2011), Sumenep Branch Manager (2013), Trinisat Division Leader (2018), Service Funds And E-Banking Division Leader (2019), Operations Division Leader (2020).



J. Koento E. Pramono

Head of Law Division

Citizenship

Warga Negara Indonesia

Place and Date of Birth/Age

Born in Surabaya in 1967. 54 years old as of December 2021.

Domicile

Surabaya

Educational Background

- Bachelor of Law UNTAG 45 (2000).
- Master of Law UNTAG 45 (2020).
- Masters in Management at Univ Narotama (2020).

Legal Basis of Appointment

Since 2021, he has served as the Head of the Legal Division based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.

Work History

Joined Bank Jatim in 1994. Before his current position, he served as Head of Cab Operations. Utama (2015), Leader of Cab. Main (2018).



R. Arief Wicaksono

Head of Sharia Business Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Banyuwangi in 1970. 51 years old as of December 2021.

Domicile

Surabaya

Educational Background

- Bachelor of Electrical Engineering from the 10 November Institute of Technology (ITS) Surabaya (1997).
- Master of Management from Dr Sutomo University (Unitomo) Surabaya (2020).

Legal Basis of Appointment

Since 2021, he has served as the Head of the Sharia Business Division based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.

Work History

Joined Bank Jatim in 2005. Before his current position, he served as Head of Cab. Bondowoso (2015), Banyuwangi Branch Leader (2017), Treasury Division Leader (2018), IT Division Leader (2018).



RM Wahyukusumo Wisnubroto

Head of Treasury Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Yogyakarta in 1972. 49 years old as of December 2021.

Domicile

Sidoarjo

Educational Background

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

Legal Basis of Appointment

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

Work History

Joined Bank Jatim in 2002. Before his current position, he served as Head of Cab Operations. Ngawi (2013), Head of Bid. Cab Operations. Jakarta (2013), Branch Manager HR Muhammad (2014), Head of Dealingroom Sub Division Treasury Division (2015), Acting. International Banking Division Leader (2017).



Nur Eko Ardian

Head of Financial Control Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Surabaya in 1980. Age 41 years as of December 2021.

Domicile

Surabaya

Educational Background

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

Legal Basis of Appointment

Since 2021, he has served as Head of the Financial Control Division based on the Decree of the Board of Directors No. 060/011/DIR/HCP/KEP dated January 13, 2021.

Work History

Joined Bank Jatim in 2006. Before his current position, he served as Senior Analyst at Corporate Secretary (2015), Head of Operational Bid for Tuban Cab (2015), Head of Kepanjen Cab (2015), Head of Compliance and Governance Division (2018), Head of the Human Capital Division (2018), Head of the Corporate Risk Management Division (2019).



Eko Tri Prasetyo

Head of Information Technology Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Surabaya in 1981. Age 40 years as of December 2021.
Domicile	Surabaya
Educational Background	<ul style="list-style-type: none"> Telkom College majoring in Informatics Engineering (2003). Master of Information Technology from the University of Indonesia (2006).
Legal Basis of Appointment	Since 2021, he has served as Head of the Information Technology Division based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.
Work History	Joined Bank Jatim in 2012. Before his current position, he served as Sub-Division Leader in the Internal Audit Division (2012) Head of the Internal Audit Division (2018).



Suhardiman

Acting Head of Operations Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Surabaya in 1968. Age 53 years as of December 2021.
Domicile	Surabaya
Educational Background	Bachelor of Economics from Kadiri University (2006)
Legal Basis of Appointment	Since 2021, he has served as Pgs. Head of Operations Division based on PGS Appointment Letter No. 060/408/HCP/OHC/PGS dated February 18, 2021.
Work History	Joined Bank Jatim in 1993. Before his current position, he served as Senior Analyst in the Treasury Division (2014), Sub-Division Leader in the Treasury Division (2017), Sub-Division Leader in the Operations Division (2021).



Putu Denny Hariwidyanta

Acting Head of Compliance and Governance Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Denpasar in 1977. Age 44 years as of December 2021.
Domicile	Surabaya
Educational Background	Bachelor of Informatics Engineering from the Surabaya College of Engineering (2001).
Legal Basis of Appointment	Since 2021 he has served as PGS Head of Compliance and Governance Division based on PGS Appointment Letter No. 060/2/HCP/LHC/PGS dated January 6, 2021.
Work History	Joined Bank Jatim in 2006. Before his current position, he served as Senior Analyst in the Foreign Service and Funds Division (2015), Sub-Division Leader in the Product Development and Policy Division (2018).



Mukhlison

Acting Head of Corporate and Syndicated Commercial Credit Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Jombang in 1974. Age 47 years as of December 2021.
Domicile	Surabaya
Educational Background	Bachelor of Economics from Wijaya Putra University, Surabaya (2001).
Legal Basis of Appointment	Since 2021 he has served as PGS Head of Corporate & Syndicated Commercial Credit Division based on Pgs Appointment Letter. No. 060/79/HCP/OHC/PGS dated January 14, 2021.
Work History	Joined Bank Jatim in 1995. Before his current position, he served as Head of Cab Operations. Pacitan (2012), Head of Cab. Jombang (2013), Leader of Cab. Probolinggo (2015), Sub-Division Leader in the Corporate and Syndicated Medium Credit Division (2018).



R. Haris Moeljanto

Head of the Business Risk Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Bangkalan in 1964. Age 57 as of December 2021.
Domicile	Surabaya
Educational Background	<ul style="list-style-type: none"> Bachelor of Accounting from the Veterans National Development University (1988). Master of Human Resource Management from Mitra Indonesia College of Economics (2000).
Legal Basis of Appointment	Since 2021, he has served as Head of the Business Risk Division based on the Decree of the Board of Directors No. 060/011/DIR/HCP/KEP dated January 13, 2021.
Work History	Joined Bank Jatim in 1989 and was appointed in 1990. Before his current position, he served as Head of Sub-Division of Agribusiness and Retail Loans (2015), Head of Bangkalan Branch (2015), Head of Main Branch (2015), Head of Product Development Division and Policy (2017), Head of Credit Rescue and Settlement Division (2018).



Revi Adiana Silawati

Head of Human Capital Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Solo in 1966. Age 55 as of 2021.
Domicile	Surabaya
Educational Background	<ul style="list-style-type: none"> 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).
Legal Basis of Appointment	Since February 2021, he has served as the Head of the Human Capital Division based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.
Work History	Joined Bank Jatim in 1985. Before his current position, he served as Head of Branch Operations at DR. Soetomo (2001), Perak Branch Manager (2003), Bojonegoro Branch Manager (2006), Kediri Branch Manager (2009), Malang Branch Manager (2011), Corporate Secretary Leader (2012), Service Fund Division Head and Foreign Affairs (2013), Treasury Division Leader (2015), Strategic Planning and Performance Management Division Leader (2018).



Sismaryadi

Head of Consumer Credit Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Boyolali in 1966. 55 years old as of December 2021.

Domicile

Surabaya

Educational Background

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

Legal Basis of Appointment

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

Work History

Joined Bank Jatim in 1986. Before his current position, he served as Head of Gresik Branch Operations (2013), Trenggalek Branch Manager (2015), Head of Agribusiness and Retail Credit Sub Division (2017).



Purboyo Sinugroho

Head of the Credit Settlement Rescue Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Mataram in 1964. Age 57 as of December 2021.

Domicile

Surabaya

Educational Background

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

Legal Basis of Appointment

Since 2021, he has served as Head of the Credit Settlement Rescue Division based on the Decree of the Board of Directors No. 060/011/DIR/HCP/KEP dated January 13, 2021.

Work History

Joined Bank Jatim in 1993. Before his current position, he served as Sumenep Branch Manager (2011), Agribusiness and Retail Credit Sub Division Head (2012), Agribusiness and Retail Credit Division Head (2015), Sharia Business Support Division Head (2016) Head of Sharia Business Division (2017), Leader of Sharia Business Support Division (2018).



Wardhana Suryaatmaja

Head of General Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Surabaya in 1967. 54 years old as of December 2021.
Domicile	Surabaya
Educational Background	<ul style="list-style-type: none"> • Bachelor of Development Studies from Wijaya Putra University (1995). • Master of Management from the Artha Bodhi Iswara College of Economics (1998).
Legal Basis of Appointment	Since 2019 he has served as the General Division Head based on the Decree of the Board of Directors No. 058/328/DIR/HCP/KEP on November 15, 2019.
Work History	Joined Bank Jatim in 1993. Before his current position, he served as PJS Head of Madiun Syariah Branch (2015), Head of Accounting Sub Division (2015), Head of Information Technology Division (2017), Product Development and Policy Division (2018).



Budi Sumarsono

Head of Strategic Planning and Performance Management Division

Citizenship	Indonesian citizens
Place and Date of Birth/Age	Born in Madiun in 1966. 55 years old as of December 2021.
Domicile	Surabaya
Educational Background	<ul style="list-style-type: none"> • Bachelor of Finance from Muhammadiyah University, Ponorogo (1992). • Master of Law from Merdeka University, Ponorogo (1999). • Master of Management from Widya Jayakarta University, Jakarta (2000).
Legal Basis of Appointment	Since 2021, he has served as Head of the Strategic Planning and Performance Management Division based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.
Work History	Joined Bank Jatim in 1991. Before his current position, he served as Head of the Probolinggo branch (2014), Gresik Branch Manager (2015), Head of Main Branch Operations (2017), Acting Head of Compliance and Governance Division (2018), Head of the International Banking Division (2018), Head of the Human Capital Division (2019).



Taufan Muhammad

Head of Micro, Retail and Program Credit Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Ponorogo in 1964. 57 years old as of 2021.

Domicile

Surabaya

Educational Background

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

Legal Basis of Appointment

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

Work History

Joined Bank Jatim in 1987. Before his current position, he served as Sub-Branch Manager of Caruban Madiun Branch (2006), Head of Operational Division of Tulungagung Branch (2010), Head of Trenggalek Branch (2011), Head of Sampang Branch (2012), Pasuruan Branch Manager (2013), Agribusiness and Retail Credit Sub-Division Leader (2014), Madiun Branch Manager (2015), Micro, Retail and Program Credit Division Leader (2018).



Suci Issumiyarti

Head of Corporate Risk Management Division

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Semarang in 1966. Age 55 as of December 2021.

Domicile

Surabaya

Educational Background

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

Legal Basis of Appointment

Since 2021 he has served as Head of the Company's Risk Management Division based on the Decree of the Board of Directors No. 060/011/DIR/HCP/KEP dated January 13, 2021.

Work History

Joined Bank Jatim in 1994. Prior to his current position, he served as Head of Operational Division of Ngawi Branch (2011), Head of Kepanjen Branch (2012), Head of Tulungagung Branch (2014), Head of Corporate Secretary Sub Division (2015), Head of Malang Branch (2015), Head of Strategic Planning Division (2017), Head of Institutional and Business Relations Division (2017), Head of Credit Risk Division (2018), Head of Business Risk Division (2020).

Employee Competency Profile and Development

Number of Employees by Gender

Table of Number of Employees by Gender

(in person)

Gender	2021	2020
Male	2,482	2,399
Female	1,933	1,721
Total	4,415	4,120

Number of Employees by Position Level

Table of Number of Employees by Position Level

(in person)

Position Level	2021			2020		
	Male	Female	Total	Male	Female	Total
NO	284	3	287	297	2	299
S, C & T	1,529	1,327	2,856	1,487	1,143	2,630
PII, Pngl, PK, Au, ARM and An	435	438	873	381	426	807
PBO, PCP, S.Au & RM	146	131	277	145	125	270
PSD, PC & PB	74	29	103	71	22	93
PD & PCU	15	4	19	18	3	21
Total	2,483	1,932	4,415	2,399	1,721	4,120

Description:

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

Number of Employees by Range of Age

Table of Number of Employees by Range of Age

(in person)

Range of Age	2021			2020		
	Male	Female	Total	Male	Female	Total
< 30 Years Old	285	400	677	253	294	547
30-54 Years Old	2,044	1,456	3,500	2,026	1,375	3,401
> 54 Years Old	153	77	175	120	52	172
Total	2,482	1,933	4,415	2,399	1,721	4,120

Number of Employees by Education Level

Table of Number of Employees by Education Level

(in person)

Education Level	2021			2020		
	Male	Female	Total	Male	Female	Total
Non Strata	363	237	600	371	194	565
S1	1,995	1,611	3,606	1,905	1,445	3,350
S2	122	85	207	122	82	204
S3	2	0	2	1	-	1
Total	2,482	1,933	4,415	2,399	1,721	4,120

Number of Employees by Employment Status

Table of Number of Employees by Employment Status

(in person)

Employment Status	2021			2020		
	Male	Female	Total	Male	Female	Total
Permanent employees	2,315	1,692	4,007	2,308	1,713	4,021
Temporary employees	168	240	408	91	8	99
Outsourcing	1,707	346	2,053	1,715	415	2,130
Total	4,190	2,278	6,468	4,114	2,136	6,250

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.

Competency Development

	2021	2022	2023	2024	2025
Updating the competency dictionary, competency profile and job requirements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee competency measurement	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Policy for granting master's scholarships	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Implementation of the granting of master's scholarships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mapping training needs	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Competency Development Based on Position Level

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

Table of Competency Development by Position Level in 2021

No.	Position Level	Type of Education (Based on Competencies)	Training Objectives	Number of Employees Who Have Followed	Percentage of Those Who Have Attended Training For Each Position Level	Percentage Who Has At-tended Training For Each Type of Training (Competence)
1.	Staff, Junior and Level Positions	Hard competency	<ul style="list-style-type: none"> - Improving the quality of human resources directly related to work. - Maintenance of the validity period of competency certificates already owned by employees. - Develop expertise, skills, or skills to benefit the company. 	2,457	87%	87%
2.	Supervisor, Pimkas, Officer and Level Position	Hard and soft competency	<ul style="list-style-type: none"> - Improving the quality of human resources directly related to daily work. - Provision of knowledge for newly appointed Supervisors. 	823	97%	97%
3.	Pimcapem, PBO, Senior and Equivalent Positions	Hard and soft competency	<ul style="list-style-type: none"> - Improving the quality of human resources directly related to daily work. - Maintenance of the validity period of competency certificates already owned by employees. - Provision of knowledge for Sub-Branch Leaders or newly appointed level. 	252	93%	93%
4.	Branch Manager, PSD and Main Branch Division Leader	Hard and soft competency	<ul style="list-style-type: none"> - Improving the quality of human resources directly related to daily work. - Maintenance of the validity period of competency certificates already owned by employees. - Provision of knowledge for Sub-Branch Leaders or newly appointed level. 	96	97%	97%
5.	Division Head, Corporate Secretary and Main Branch Manager	Hard and soft competency	<ul style="list-style-type: none"> - Improving the quality of human resources directly related to daily work. - Maintenance of the validity period of competency certificates already owned by employees. 	17	89%	89%
6.	Directors/ Commissioners	Hard and soft competency	<ul style="list-style-type: none"> - Improved leadership competence. - Maintenance of competency certificates. 	5	100%	100%

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 to increase the competence of Bank Jatim employees, it is carried out by carrying out an evaluation of the implementation of education and training. The scope of evaluation of the implementation of education and training includes:

1. Reaction levels. Evaluation of participant satisfaction responses to education and training providers, using the questionnaire feature on the e-Human Capital Mobile application for resource persons and participant evaluation of education and training providers.
2. Learning. Measurement of participants about the competence of knowledge, skills and attitudes. For the measurement of knowledge competence using pre-test and post-test questions.

The results of the evaluation of the implementation of the training in 2021 were conveyed that the results of the participants' evaluation of the implementation (reaction level) showed an average result in general in each aspect of being satisfactory, while the results of the evaluation of the measurement of participants on competence had increased (meaning that the training participants experienced an increase in knowledge in participating in the training program).

Competency Development Costs

In 2021, Bank Jatim implemented competency development for employees by involving 6,297 employees and spending 18,743 mandays. The costs that had been issued by Bank Jatim in 2021 in the context of competency development reached IDR22,649,068,859, an increase from the costs incurred in 2020 of IDR7,249,565,481.

Table of Competency Development Costs for 2020-2021

Description	2021	2020
Number of Training Programs	211	197
Number of Training Participants (Persons)	6,297	2,169
Total Mandays (Days)	18,743	6,014
Total Cost (IDR)	22,649,068,859	7,249,565,481

Table of Number of Employee Competency Development

2021				
Type of Training	Number of Events	Number of Participants	Duration (Hours)	Average Training Hours/Person
Public Training	79	375	8,870	23.65
In House Training	109	5,140	28,555	24.28
Board of Commissioners & Directors	1	1	5	5
2020				
Type of Training	Number of Events	Number of Participants	Duration (Hours)	Average Training Hours/Person
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

Shareholders Composition

Table of Bank Jatim Shareholder Composition as of January 1, 2021

Shareholders	Share Ownership Structure		
	Number of Shares	Value (IDR)	Ownership
SERIES A SHARES			
Government of East Java Province	7,676,913,648	1,919,228,412,000	51.13%
Surabaya City	319,243,457	79,810,864,250	2.13%
Malang city	108,635,999	27,158,999,750	0.72%
Madiun City	134,064,427	33,516,106,750	0.89%
Mojokerto 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%
Batu City	38,236,741	9,559,185,250	0.25%
Gresik Regency	220,213,170	55,053,292,500	1.47%
Malang Regency	253,635,445	63,408,861,250	1.69%
Mojokerto Regency	78,373,801	19,593,450,250	0.52%
Madiun Regency	32,660,478	8,165,119,500	0.22%
Kediri Regency	144,925,510	36,231,377,500	0.97%
Probolinggo Regency	125,931,454	31,482,863,500	0.84%
Blitar Regency	39,496,395	9,874,098,750	0.26%
Pasuruan Regency	44,610,500	11,152,625,000	0.30%
Bojonegoro Regency	300,288,632	75,072,158,000	2.00%
Magetan Regency	19,594,792	4,898,698,000	0.13%
Tulungagung Regency	70,697,975	17,674,493,750	0.47%
Trenggalek Regency	84,640,532	21,160,133,000	0.56%
Pacitan Regency	53,520,271	13,380,067,750	0.36%
Lamongan Regency	101,318,315	25,329,578,750	0.67%
Ponorogo Regency	23,555,596	5,888,899,000	0.16%
Banyuwangi Regency	270,036,117	67,509,029,250	1.80%
Tuban Regency	217,418,404	54,354,601,000	1.45%
Jember Regency	111,866,875	27,966,718,750	0.75%
Ngawi Regency	215,763,995	53,940,998,750	1.44%
Jombang Regency	26,792,899	6,698,224,750	0.18%
Bondowoso Regency	87,207,357	21,801,839,250	0.58%
Lumajang Regency	67,206,045	16,801,511,250	0.45%
Sidoarjo Regency	370,155,850	92,538,962,500	2.47%
Situbondo Regency	76,374,593	19,093,648,250	0.51%
Nganjuk Regency	77,217,854	19,304,463,500	0.51%
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%

Shareholders	Share Ownership Structure		
	Number of Shares	Value (IDR)	Ownership
SERIES B SHARES			
Society	3,081,350,100	770,337,525,000	20.52%
TOTAL	15,015,498,082	3,753,874,520,500	100%

The composition of shareholders as of December 31, 2021 has not changed with the same composition as of January 1, 2021.

Composition of 20 Largest Shareholders

Table of Composition of the 20 Largest Shareholders of Bank Jatim as of January 1, 2021

No	Shareholders	Status	Number of Shares	Ownership
1	PT KOREA INVESTMENT AND SEKURITAS INDO-NESIA	Indonesian Individual	66,469,900	2.16%
2	RD PREMIER ETF INDO STATE- OWNED COMPA-NIES-889064000	Indonesian Individual	34,336,116	1.11%
3	REKSA DANA SAM INDONESIA EQUITY FUND- 846654000	Mutual Fund	25,530,700	0.83%
4	PT MNC SEKURITAS	Indonesian Individual	122,854,300	3.99%
5	PANIN SEKURITAS, PT	Insurance	18,094,800	0.59%
6	PT INDO PREMIER SEKURITAS	Indonesian Individual	35,311,000	1.15%
7	PT PRUDENTIAL LIFE ASSURANCE - REP	Incorpo-rated Com-pany	20,106,000	0.65%
8	PT PRUDENTIAL LIFE ASSURANCE - REF	Incorpo-rated Com-pany	22,270,100	0.72%
9	PT SWANDANA WITANANTA SEJAHTERA	Incorpo-rated Com-pany	22,000,000	0.71%
10	PT MIRAE ASSET SEKURITAS INDONESIA	Indonesian Individual	42,587,000	1.38%
11	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	Institution - Foreign	253,711,100	8.23%
12	CITIBANK NEW YORK S/A EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV DIMEN-SIONS GRP INC.	Institution - Foreign	38,783,300	1.26%
13	CITIBANK LONDON S/A MUTUAL FUND EQ EMERGING DIVIDEND (UCITS)	Institution - Foreign	200,000,000	6.49%
14	BNYM RE ACADIAN EM MKTS SM ALL CAP EQ FD LLC-2039925167	Institution - Foreign	44,778,490	1.45%
15	SSB WTAU S/A WISDOMTREE EMERGING MRKTS SC DIV FUND- 2144614648	Institution - Foreign	42,794,900	1.39%
16	SSB 64DY S/A BERNSTEIN FD,INC.-INTL SMALL CAP PRTF-2144616206	Institution - Foreign	48,700,500	1.58%
17	DZ PRIVATBANK S/A CH GALILEO ASIA FUND	Institution - Foreign	35,898,900	1.17%
18	THE NT TST CO S/A CIM INVESTMENT FUND ICAV	Institution - Foreign	150,000,000	4.87%
19	NT TST CO S/A EDGBASTON ASIAN EQUITY TRUST	Institution - Foreign	92,989,900	3.02%
20	NT TST CO S/A EDGBASTON ASIAN EQUITY (JER-SEY) TRUST	Institution - Foreign	60,199,900	1.95%

Table of Composition of the 20 Largest Shareholders of Bank Jatim as of December 31, 2021

No	Shareholders	Status	Number of Shares	Ownership
1	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	Indonesian Individual	205,711,100	6.68%
2	CITIBANK LONDON S/A MUTUAL FUND EQ EMERGING DIVIDEND (UCITS)	Indonesian Individual	200,000,000	6.49%
3	PT MNC SEKURITAS	Mutual Fund	130,154,300	4.22%

No	Shareholders	Status	Number of Shares	Ownership
4	THE NT TST CO S/A CIM INVESTMENT FUND ICAV	Indonesian Individual	93,000,000	3.02%
5	BBH LUXEMBOURG S/A FIDELITY FD, SICAV-INDONESIA FD	Insurance	70,599,700	2.29%
6	STATE STREET BANK-GOLDMAN SACHS FUNDS	Indonesian Individual	63,786,500	2.07%
7	STATE STREET BANK-BERNSTEIN FUND, INC.- INTERNATIONAL SMALL CAP PORTFOLIO	Incorpo-rated Com-pany	59,838,000	1.94%
8	PT KOREA INVESTMENT AND SEKURITAS INDONESIA	Incorpo-rated Com-pany	57,977,100	1.88%
9	PT YULIE SEKURITAS INDONESIA TBK	Incorpo-rated Com-pany	48,114,226	1.56%
10	BNYM RE ACADIAN EM MKTS SM ALL CAP EQ FD LLC-2039925167	Indonesian Individual	44,778,490	1.45%
11	PT MIRAE ASSET SEKURITAS INDONESIA	Indonesian Individual	41,028,300	1.33%
12	BNYM RE GOLDMAN SACHS TRUST-GS EM MAR EQ INS FD-2039927833	Institution - Foreign	39,513,600	1.28%
13	PT INDO PREMIER SEKURITAS	Institution - Foreign	36,010,000	1.17%
14	STATE STREET BANK-WISDOMTREE EMERGING MARKETS SMALLCAP DIVIDEND FUND	Indonesian Individual	33,822,000	1.10%
15	NT TST CO S/A LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP	Institution - Foreign	32,559,100	1.06%
16	SSB ZVY5 S/A ST ST EMG MKT SML CAP AC N-L QIB CTF-2157564053	Institution - Foreign	31,326,100	1.02%
17	PT. PRUDENTIAL LIFE ASSURANCE - REF	Institution - Foreign	30,739,000	1.00%
18	CITIBANK NEW YORK S/A EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV DIMENSIONS GRP INC.	Insurance	29,374,500	0.95%
19	DZ PRIVATBANK S/A CH GALILEO ASIA FUND	Institution - Foreign	28,898,900	0.94%
20	BNYM RE ENSIGN PEAK ADV, INC.-2039925380	Institution - Foreign	26,737,100	0.87%

Composition of Shareholders 5% or More

Table of Shareholder Composition of 5% or More Bank Jatim as of January 1, 2021

Shareholder Name	Number of Shares	Ownership
Level I Regional Government of East Java Province	7,676,913,648	51.13%

The composition of shareholders of 5% or more as of December 31, 2021 does not change with the same composition as on January 1, 2021.

Composition of Public Shareholders Less than 5%

Table of Composition of Public Shareholders of Less than 5% of Bank Jatim as of January 1, 2021

Public Share Ownership	Number of Shareholders	Number of Shares	Ownership
LOCAL			
Individual	45,982	1,238,070,344	8.24528%
Regional government	39	11,934,147,982	79.47887%
Employee	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%
Incorporated Company	48	71,878,036	0.47689%

Public Share Ownership	Number of Shareholders	Number of Shares	Ownership
Financial Institution	1	15,348,713	0.10222%
Mutual Fund	15	66,170,118	0.44068%
Sub Total	46,114	13,339,035,593	89.23471%
FOREIGN			
Individual	24	2,024,700	0.01348%
Foreign Business Entity	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%

Table of Composition of Public Shareholders Less than 5% of Bank Jatim as of December 31, 2021

Public Share Ownership	Number of Shareholders	Number of Shares	Ownership
LOCAL			
Individual	57,937	1,398,258,018	9.31210%
Regional government	39	11,934,147,982	79.47887%
Employee	1	9,197,213	0.06125%
Cooperative	1	134,500	0.00090%
Foundation	3	165,000	0.00110%
Pension fund	13	8,513,400	0.05670%
Insurance	6	42,917,300	0.28582%
Incorporated Company	1	836,000	0.00557%
Financial Institution	58	118,871,196	0.79043%
Mutual Fund	17	27,871,875	0.18562%
Sub Total	58,076	13,540,912,484	90.17836%
FOREIGN			
Individual	17	1,224,300	0.00815%
Foreign Business Entity	176	1,473,545,298	9.81350%
Sub Total	193	1,474,769,598	9.82165%
TOTAL	58,269	15,015,498,082	100%

Share Ownership Board of Commissioners and Board of Directors

Table of Share Ownership of the Board of Commissioners and Directors of Bank Jatim as of January 1, 2021

No.	Name	Position	Number of Shares	Ownership
BOARD OF COMMISSIONERS				
1.	Akhmad Sukardi*	President Commissioner	833,600	0.0055516%
2.	Candra Fajri Ananda	Independent Commissioner	-	-
3.	Budi Setiawan*	Independent Commissioner	-	-
4.	Muhammad Mas'ud	Independent Commissioner	-	-
5.	Rudi Purwono*	Commissioner	-	-
6.	Heru Tjahjono	Commissioner	-	-
DIREKSI				
1.	Busrul Iman	President director	982,200	0.0065412%
2.	Rizyana Mirda	Director of Business Risk	3,443,733	0.0229345%
3.	Tonny Prasetyo	Director of IT and Operation	90,400	0.0006020%

No.	Name	Position	Number of Shares	Ownership
4.	Ferdian Timur S.	Director of Finance	717,633	0.0047793%
5.	Erdianto Sigit Cahyono	Director of Compliance and Risk Man-agement	65,000	0.0004329%
TOTAL			6,132,566	0.0408415%

*Stopped serving since the end of the Annual General Meeting of Shareholders on 3 May 2021

Table of Share Ownership of the Board of Commissioners and Directors of Bank Jatim as of December 31, 2021

No.	Name	Position	Number of Shares	Ownership
BOARD OF COMMISSIONERS				
1.	Candra Fajri Ananda	Independent Commissioner	-	-
2.	Muhammad Mas'ud	Independent Commissioner	-	-
3.	Heru Tjahjono	Commissioner	141,400	0.0009417%
4.	Akhmad Sukardi*	President Commissioner	833,600	0.0055516%
5.	Rudi Purwono*	Commissioner	-	-
6.	Budi Setiawan*	Independent Commissioner	-	-
BOARD OF DIRECTORS				
1.	Busrul Iman	President director	1,556,400	0.0103653%
2.	Rizyana Mirda	Director of Business Risk	3,699,333	0.0246368%
3.	Tonny Prasetyo	Director of IT and Operation	346,000	0.0023043%
4.	Ferdian Timur S.**	Director of Finance	2,581,833	0.0171945%
5.	Erdianto Sigit Cahyono	Director of Compliance and Risk Man-agement	305,600	0.0020352%
TOTAL			9,194,166	0.0630294%

*Stopped serving since the end of the Annual General Meeting of Shareholders on 3 May 2021

** Resigned since January 14, 2022

As of December 31, 2021, the Board of Commissioners and Board of Directors of Bank Jatim do not have indirect share ownership.

Classification of Shareholders

Table of Classification of Bank Jatim Shareholders as of December 31, 2021

Share Ownership	Number of Shareholders	Number of Shares	Ownership
Local Institution	139	12,142,654,466	80.8675%
Foreign Institution	176	1,473,545,298	9.81350%
Local Individual	57,937	1,398,258,018	9.31210%
Foreign Individual	17	1,224,300	0.00815%
Total	58,269	15,015,498,082	100%

Main and Controlling Shareholders

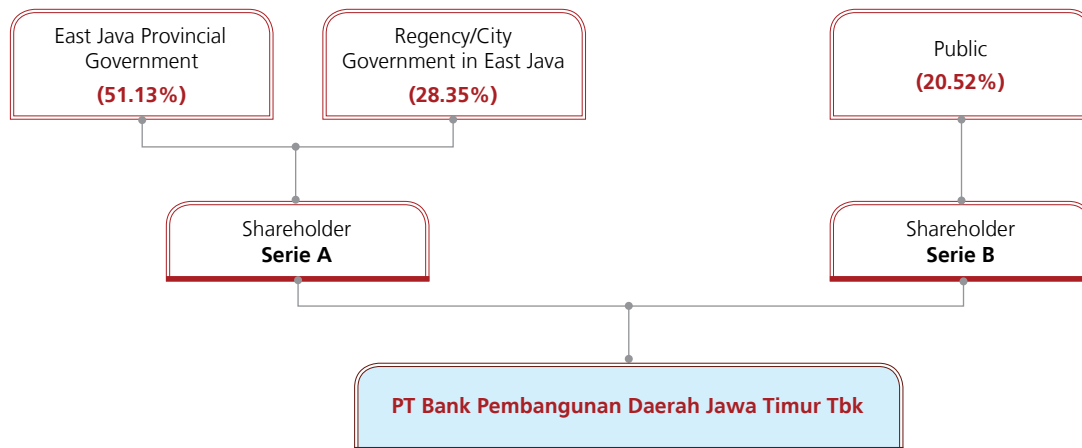
The majority share ownership of Bank Jatim is owned by the East Java Provincial Government, with 51.13%. Thus, the Main and Controlling Shareholders of Bank Jatim are the East Java Provincial Government. There are no Major and Controlling Shareholders indirectly, down to individual owners, and no Shareholders act on behalf of other shareholders.



List of Subsidiaries, Associated Entities and Joint Venture Company

As of December 31, 2021, Bank Jatim does not have any Subsidiaries, Associated Entities and joint venture companies, so that there is no information available regarding: Names of subsidiaries, associates and joint venture companies, Percentage of share ownership; Description of the line of business and information on the operating status of subsidiaries, associates and joint venture companies (already operating or not yet operating).

Company Group Structure



As of December 31, 2021, Bank Jatim does not have any Subsidiaries, Associated Entities, Joint Ventures, and Special Purpose Vehicles (SPV).

Information of Bank Business Group

As of December 31, 2021, Bank Jatim is not yet a Bank Business Group, so there is no information on the structure of the Bank Business Group, the structure of the management relationship within the Bank Business Group and shareholders acting on behalf of the shareholders. other.

Chronology of Share Issuance

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

Initial Public Offering

On July 12, 2012, Bank Jatim conducted an Initial Public Offering (IPO) by offering new shares of 2,983,537,000 ordinary shares (Series B) at an offering price of IDR430 per share, so that the total number of shares to be listed on the Indonesia Stock Exchange amounted to 14,768,508,132 (fourteen billion seven hundred sixty-eight million five hundred eight million thousand one hundred thirty-two) shares or 99% (ninety-nine percent) of the total issued and fully paid-up capital after the Public Offering. Of the total shares offered, as much as 10% (ten percent) will be allocated to employees and the Company's Management through the ESA (Employee Stock Allocation) Program. Bank Jatim has implemented the MESOP (Management Employee Stock Option Plans) program from 2016 to 2020 with new shares (Series B) of 13,127,500 shares. So that the total Paid-in Capital on December 31, 2020, will be IDR3,753,874,520,500 or 15,015,498.082 shares.

MESOP Phase I program was implemented on 1 August 2016 - 13 September 2016, 1 February 2017 - 13 March 2017, 1 August 2017 - 13 September 2017, and 1 February 2018 - 15 March 2018, 1 August 2018 - 14 September 2018, February 1, 2019 - March 18, 2019, and August 1, 2019 - September 11, 2019.

MESOP Phase II program was implemented on 1 August 2017 - 13 November 2017, and 1 February 2018 - 15 March 2018, 1 August 2018 - 14 September 2018, February 1 2019 - 18 March 2019, 1 August 2019 - 11 September 2019, and 3 February 2020 - 16 March 2020.

MESOP Phase III program was carried out on 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.

Name of the Exchange Where the Company's Shares are Listed

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

Table of Chronology of Bank Jatim Shares Issuance

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

Association Membership List

As a financial services institution, Bank Jatim joins and is active in various associations or institutions relevant to the Company's primary business. Thus, the Company can follow the latest developments, issues, or topics and exchange information, and provide suggestions/input for mutual progress. During 2021, Bank Jatim joined the following associations/associations/institutions:

Association Name	Joining Year	Membership Status
AEI (Asosiasi Emiten Indonesia)	2012	Member
FCSR Social Ministry	2016	Member
Asbanda (Asosiasi Bank Pembangunan Daerah)	1993	Member
FKDK-BPDSI (Forum Komunikasi Dewan Komisaris BPD Se-Indonesia)	2002	Member
FK-LJKD (Forum Komunikasi Lembaga Jasa Keuangan Daerah)	2016	Member

Bank Jatim's membership in organizations/associations has a strategic meaning. The Company harmonizes the latest developments in the banking world and contributes knowledge and experience to the organization/association members. Bank Jatim does not contribute financially outside of regular membership fees, including not contributing to politics or politicia.

	Number of Shares Issued (share)	Issued and Paid Up Capital		
		Number of shares (share)	Total value Nominal (IDR)	Total Bid Price (IDR)
	-	-	-	-
	2,983,537,000	14,917,684,982	3,729,421,245,500	1,282,920,910,000
	27,372,600	14,945,057,582	3,736,264,395,500	11,195,393,400
	1,241,600	14,946,299,182	3,736,574,795,500	558,720,000
	1,800,500	14,974,591,382	3,743,647,845,500	810,225,000
	26,491,700			10,835,105,300
	297,700	14,975,852,582	3,743,963,145,500	133,965,000
	963,500			394,071,500
	365,400	14,978,134,982	3,744,533,745,500	149,448,600
	1,917,000			1,148,283,000
	48,500	14,993,772,982	3,748,443,245,500	19,836,500
	15,589,500			9,338,110,500
	1,062,100	15,002,370,582	3,750,592,645,500	477,945,000
	741,500			303,273,500
	6,794,000			4,069,606,000
	3,163,900	15,015,498,082	3,753,874,520,500	1,294,035,100
	9,963,600			5,968,196,400

Chronology of Issuance and/or Listing of Bond

As of December 31, 2021, Bank Jatim has not issued bonds, so there is no information on the chronology of the issuance and/or listing of bonds.

Chronology of The Issuance and/or Listing of Other Securities

As of December 31, 2021, Bank Jatim does not issue other securities, so there is no information on the chronology of issuance and/or listing of other securities dan/atau pencatatan efek lainnya.

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

Public Accountant Firm Name	KAP Kanaka Puradiredja, Suhartono (Nexia Int)
Association Network	NEXIA International
Public Accountant Firm Address	The Royal Palace Jl. Prof.Dr.Soepomo No.178A - C29 Jakarta 12810 Indonesia Royal Residence Crown Soho Blok BS 15 No.15B Jl. Raya Menganti No.479, Wiyung Surabaya 60215 - Indonesia
Public Accountant Name	Dra. Rita Susilowati, Ak., CA., CPA
Assignment Period	Fiscal Year 2021
Services Provided	Financial Statement Audit for Fiscal Year 2021
Audit Fee	IDR1,300,000,000
Non-Audit Fee	-

Supporting Institutions and/or Professions

Securities Rating Agency	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 rendered : Issuing ratings for debt securities issuance Assignment Period : Fiscal Year 2021
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Securities Rating Agency**KJPP SUSAN WIDJOJO & REKAN**

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

Services rendered : Issuing ratings for debt securities issuance
Assignment Period : Fiscal Year 2021

**Securities Administration
Bureau****PT DATINDO ENTRYCOM**

Jl. Hayam Wuruk No. 28, Jakarta 10120
Telp : (021) 3508077
Fax : (021) 3508078

Services provided : Record ownership of Securities and distribution of rights related to Securities
Assignment Period : Fiscal Year 2021

Securities Guarantee**PT BAHANA SEKURITAS**

Graha Niaga, Lantai 19,
Jl. Jend. Sudirman Kav. 58, Jakarta 12190
Telp : (021) 250 5678
Fax : (021) 250 5087

Services provided : Guarantee the sale of securities and payment of the total value of the securities issued to the issuer
Assignment Period : Fiscal Year 2021

PT MANDIRI SEKURITAS

Plaza Mandiri, Lantai 28-29
Jl. Jend. Gatot Subroto Kav. 36-38, Jakarta 12190 Indonesia
Telp : (021) 526 5678
Fax : (021) 526 505

Services provided : Guarantee the sale of securities and payment of the total value of the securities issued to the issuer
Assignment Period : Fiscal Year 2021

Custodian**PT KUSTODIAN SENTRAL EFEK INDONESIA**

Gedung Bursa Efek Indonesia, Tower I, Lantai 5
Jl. Jendral Sudirman Kav. 52- 53, Jakarta 12190
Telp : (021) 515 2855
Fax : (021) 5299 1199
Web : www.ksei.co.id

Services provided : Collective depository of assets such as shares, bonds, as well as carrying out client administration tasks
Assignment Period : Fiscal Year 2021

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

Jl. Kebon rojo No. 2 CC,
Surabaya 60175,
Indonesia
Telp : (031) 351 1282, 352 1285, 353 2822
Fax : (031) 352 2311

Services provided : Making an Authentic Deed of all deeds, agreements, and provisions.
Assignment Period : Fiscal Year 2021

Awards and Certification

AWARDS

26 January 2021



Award Name:
The Best Public Relation in Company Management on Culturalized Banking and Marketing System

Event:
-Awarding 2021 Indonesia Public Relation

Organizer:
Warta Ekonomi

3 March 2021



Award Name:
Indonesia Best BUMD Awards 2021 on Supporting Local Business Industries Through Outstanding Business Development Programs at East Java, Jawa Island

Event:
Indonesia Best BUMD Awards 2021: The Front Line of Indonesia Economic Reconvert

Organizer:
Warta Ekonomi

31 March 2021



Award Name:
Terpopuler di Media Cetak 2020 Sub Kategori BUMD dan Perusahaan Daerah

Event:
PR Indonesia Awards 2021

Organizer:
PR Indonesia

31 March 2021



Award Name:
Silver Winner Sub Kategori E-Magazin Expressi Vol. 17

Event:
PR Indonesia Awards 2021

Organizer:
PR Indonesia

9 April 2021



Award Name:
1st The Best Indonesia Enterprises Risk Management Awards IV 2021 Kategori BPD Public Company Buku 3

Event:
Indonesia Enterprises Risk Management Awards IV 2021

Organizer:
Economic Review

22 April 2021



Award Name:
Top CSR Awards 2020 star 4

Event:
Top CSR Awards

Organizer:
Top Business

22 April 2021



Award Name:
Top Leader on CSR Commitment 2021
Event:
Top CSR Awards
Organizer:
Top Business

27 May 2021



Award Name:
Best Disclosure & Transparency
Event:
Best Disclosure & Transparency
12th The IICD Corporate Governance Conference And Awards
Organizer:
IICD

11 June 2021



Award Name:
2nd The Best Informative Website 2021 Category BPD Public Company
Event:
Indonesia Corporate Secretary & Corporate Communication Award VI 2021
Organizer:
Economic Review

25 June 2021



Award Name:
Sektor Regional Development Bank
Event:
Indonesia TOP Companies Awards
Organizer:
Iconomics

29 June 2021



Award Name:
1st Best Mobile Banking
Event:
18th Banking Service Excellence Awards 2021
Organizer:
Infobank

29 June 2021



Award Name:
2nd Best Overall Plus Digital
Event:
18th Banking Service Excellence Awards 2021
Organizer:
Infobank

29 June 2021



Award Name:

1st Best SMS Banking

Event:

18th Banking Service Excellence Awards 2021

Organizer:

Infobank

28 June 2021



Award Name:

Bank Jatim Indonesia Living Legend

Event:

Indonesia Living Legend 2021

Organizer:

SWA

24 August 2021



Award Name:

Bank terbaik 2021 kategori BPD dengan Modal Inti 5 T - 30 T

Event:

Investor Awards Best Bank 2021

Organizer:

Berita Satu Media Holdings

25 August 2021



Award Name:

Very Good Financial Health and Corporate Performance: Delicate Banking Business Development Kategori Bank Buku 3

Event:

Indonesia Best Bank Awards 2021

Organizer:

Warta Ekonomi

08 September 2021



Award Name:

Kinerja "Sangat Bagus" 20 Tahun Berturut-turut kategori Diamond Trophy

Event:

26th Infobank Awards 2021

Organizer:

Infobank

11 September 2021



Award Name:

TOP CEO BUMD 2021 Direktur Utama Bank Jatim "Busrul Iman"

Event:

TOP BUMD Awards 2021

Organizer:

Top Business

11 September 2021



Award Name:

TOP BUMD 2021 #star 5

Event:

TOP BUMD Awards 2021

Organizer:

Top Business

11 September 2021



Award Name:

TOP of the TOP BUMD 2021

Event:

TOP BUMD Awards 2021

Organizer:

Top Business

14 September 2021

Award Name:
Indonesia TOP Bank Awards 2021

Acara:
Indonesia TOP Bank 2021

Organizer:
The Economics

17 September 2021

Award Name:
The Best Indonesia HC Director
2021

Acara:
Indonesia Human Capital Awards

Organizer:
Economic Review

17 September 2021

Award Name:
4th The Best of IHCA of The Year
2021 (Platinum Awards) kategori
Public Company Buku 3

Event:
Indonesia Human Capital Awards

Organizer:
Economic Review

23 September 2021

Award Name:
The Most Adaptive Regional Bank

Event:
CNBC Awards 2021

Organizer:
CNBC Indonesia

18 November 2021

Award Name:
Peringkat GOLD

Event:
Asia Sustainability Reporting Rating
(ASRRAT) 2021

Organizer:
National Center For Sustainability
Reporting (NCSR)

19 November 2021

Award Name:
Public Company Sector Financial

Event:
Indonesia Finance Award IV 2021

Organizer:
Economic Review

24 November 2021

Award Name:
Excellent Financial Performance of
Indonesia Best BPD Awards 2021

Event:
Indonesia Best BPD Awards
2021: Capturing Next Normal
Opportunities

Organizer:
Warta Ekonomi

24 November 2021

Award Name:
Mitra QRIS Terbaik

Event:
Pertemuan Tahunan Bank Indonesia
2021

Organizer:
Bank Indonesia

10 December 2021



Award Name:
Most Populer Leader in Social Media Sub Kategori Pemimpin BUMD dan Perusahaan Daerah Layanan Publik

Event:
Anugerah Humas Indonesia

Organizer:
PR Indonesia

17 December 2021



Award Name:
Best BUMD: Bank Jatim

Event:
Obsession Media Awards

Organizer:
Obsession Media Group (OMG)

17 December 2021



Award Name:
Best Professional: Ferdian Timur Satyagraha

Event:
Obsession Media Awards

Organizer:
Obsession Media Group (OMG)

21 December 2021



Award Name:
Top Digital 2021 #Star 4

Event:
Top Digital Awards 2021

Organizer:
IT Works

21 December 2021



Award Name:
Top Leader of Digital Implementation 2021: Busrul Iman

Event:
Top Digital Awards 2021

Organizer:
IT Works

23 December 2021



Award Name:
The Best Indonesia Leaders 2021 category CEO Public Company Asset > IDR100 T

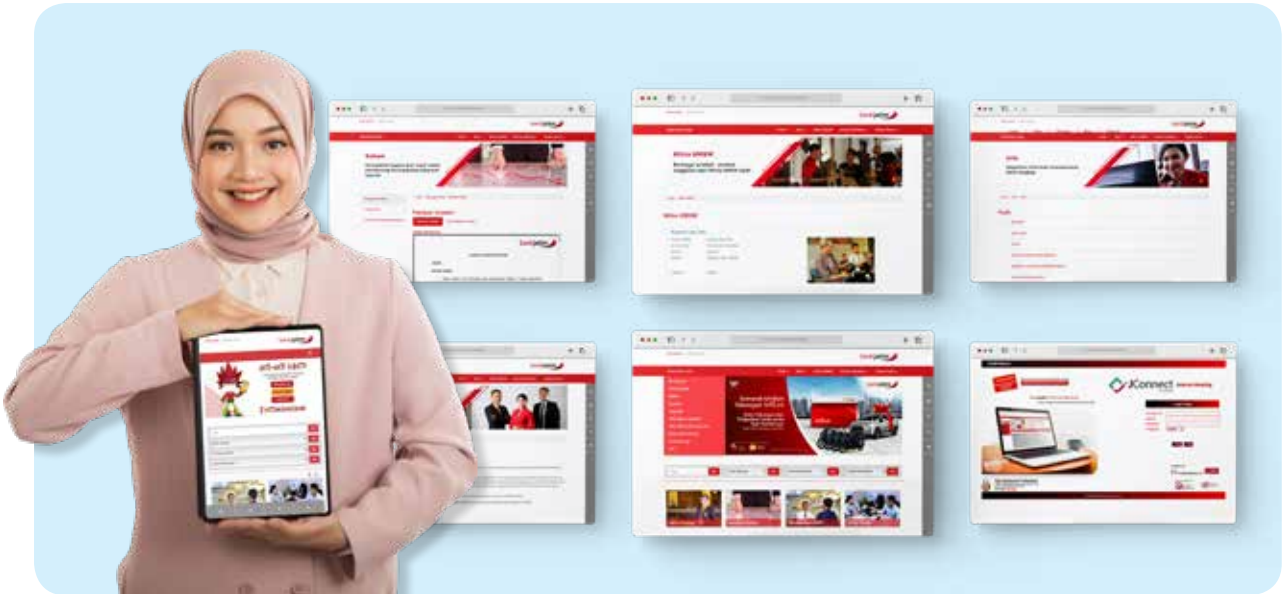
Event:
Indonesia Leaders Award II 2021 (ILA 2021)

Organizer:
Economic Review

CERTIFICATION

As of December 31, 2021, Bank Jatim does not yet have certification.

Information Available on the Website



The availability of information on website refers to the Regulation of OJK No. 8/POJK.04/2015 regarding Website of Issuers or Public Companies. Thus, Bank Jatim has provided various key information on its official website, such as information on shareholders, organizational structure, financial performance analysis, as well as profiles of Board of Commissioners and Board of Directors. In addition, the Bank's website displays the following information;

YOUR NEEDS

Contains all information on customer and community needs which include Savings, Financing, Business, Sharia, Services, Investor Relations, Corporate Governance, Bank Jatim Peduli, Interest Rates, and Information.

PROFILE

Contains information on Bank's Profile, Management, and Awards.

CAREER

Contains information on Career Management and Information on Recruitment.

MSME PARTNER

Contains information on MSME Partners of Bank Jatim accessible by the public and the Bank's customers.

INTERNET BANKING

Contains information on Bank Jatim's Internet Banking usage guide and Internet Banking Portal.

ONLINE REGISTRATION

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

ARA Criterias	Information
Shareholder information up to individual final owners	Available
Contents of the Code of Conduct	Available
Information on the General Meeting of Shareholders (GMS) at least includes the material for the agenda dis-cussed in the GMS, summary of the minutes of the GMS, and important date information, namely the date of the announcement of the GMS, the date of the sum-mons for the GMS, the date of the GMS, the date of the summary of the minutes of the GMS was announced.	Available
Separate annual financial statements (last 5 years)	Available
Profile of the Board of Commissioners and Directors	Available
Charter of the Board of Commissioners, Board of Direc-tors, Committees, and the Internal Audit Unit	Available



Management Discussion and Analysis of Bank Performance

“Facing various opportunities as well as challenges that come from accelerating the use of digital technology, as well as efforts to continue to contribute to national and regional economic recovery amid economic uncertainty due to the COVID-19 pandemic, Bank Jatim managed to record good performance in achieving sustainable business growth.”





Economic Review

Global Economic Analysis

The global economy throughout 2021 still faced with various challenges and dynamics triggered by the spread of COVID-19 although it began to show optimism compared to the previous year's economic growth. These dynamics caused the International Monetary Fund (IMF) to have several changes to the global economic projections released in the World Economic Outlook (WEO) document. Finally, global economic growth in 2021 was estimated to grow 5.90% (World Economic Outlook, January 2021).

Global economic growth in 2021 was largely supported by the economies of developed countries, particularly the United States, and, in addition, it was also supported by the acceleration of vaccination implementation and broad economic policy stimulus. A similar recovery also occurred in the emerging market group, which, although not as fast as the economic recovery of developed countries; it still made a significant contribution to the global economy in 2021 (Bank Indonesia, 2021). Nevertheless, the pressure on the economic recovery to be higher in 2021 was influenced by various factors such as the discovery of a new variant of COVID-19 spreading much faster than the previous variant as well as rising inflation in various countries (World Economic Forum, January 2022).

National Economic Analysis

The national economy in 2021 indicated a recovery compare to the previous year, although it was still faced with various uncertainties due to the ongoing spread of COVID-19. Compared to economic growth in 2020 which experienced a contraction of -2.07% (YoY), the national economy in 2021 grew by 3.69% (YoY).

National economic growth in 2021 was driven by increased community mobility after the easing of restrictions on community activities entering the final quarter of 2021 accompanied by the expansion of economic access, acceleration of the implementation of vaccination programs in various regions, continuing economic policy stimulus, and positive export performance. In addition, accommodative policies and

strong synergy became one of the driving recovery factors of the national economy throughout 2021.

In terms of inflation, the consumer price index (CPI) in 2021 was recorded at 1.87% (YoY), or an increase compared to inflation in 2020 which was at 1.68% (YoY). This development was influenced by the core inflation component which was relatively low, at 1.56% (YoY) or slightly decreasing compared to the previous year's core inflation. The decline in core inflation was influenced by the dynamics of domestic demand which was slightly restrained due to COVID-19, exchange rate stability, maintained inflation expectations, and the impact of global price pressures on the domestic which was relatively low (Indonesian Economic Report 2021, Bank Indonesia, January 2022).



Banking Industry Analysis

In line with global and national economic developments, the development of the banking industry throughout 2021 was also affected by the COVID-19 condition. However, the resilience of the financial system remained well-maintained as indicated by the banking capital adequacy ratio (CAR) which remained strong at 25.59% (November 2021 position); the NPL ratio was maintained at 3.00% (December 2021 position), as well as very loose banking liquidity, namely the ratio of Liquid Assets to Third Party Funds (AL/DPK) of 33.53%. However, banking intermediation performance throughout 2021 was still not optimal (Indonesian Economic Report 2021, Bank Indonesia, January 2022).

Eventhough banking loans distribution was held back due to the re-imposition of restrictions on community mobility due to the widespread spread of the COVID-19 variant of the Delta in the second quarter of 2021, it began to show optimism by increasing demand and supply of loans, especially the business world and consumption in line with declining risk perceptions, loose liquidity, and the downward trend in interest rates continuing in 2021 (Indonesian Economic Report 2021, Bank Indonesia, January 2022). Although the decline in the benchmark interest rate that occurred throughout 2021 was not as much as the decline that occurred in the previous year, Bank Indonesia maintained the benchmark interest rate at 3.50% in 2021 or 25 basis points (bps) lower in order to encourage consumption and maintain national monetary stability.

Table of Bank Indonesia Reference Interest Rate in 2021

Period	BI 7-Day Reverse Repo Rate (BI 7 DRR)	Period	BI 7-Day Reverse Repo Rate (BI 7 DRR)
January	3.75%	July	3.50%
February	3.50%	August	3.50%
March	3.50%	September	3.50%
April	3.50%	October	3.50%
May	3.50%	November	3.50%
June	3.50%	December	3.50%

Source: Bank Indonesia Website

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

As a comparison of the performance of Bank Jatim against the Bank Group Based on Core Capital (KBMI) II and the banking industry, the following table is a breakdown of the Bank's growth performance and a comparison of the ratio of the Bank to the average KBMI II and the banking industry.

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

(in IDR billion)

Performance	Bank Jatim			Group of Banks Based on Core Capital (KBMI) II			Banking Industry		
	November 2021	November 2020	Growth (YoY)	November 2021	November 2020 ^{*)}	Growth (YoY)	November 2021	November 2020	Growth (YoY)
Asset	102,961	87,024	18.31%	1,185,288	2,902,552	(59.16%)	9,913,669	9,053,446	9.50%
Loan	42,871	41,130	4.23%	651,854	1,741,154	(62.56%)	5,754,720	5,516,904	4.31%
Third Party Fund	88,449	73,964	19.58%	786,797	1,993,215	(60.53%)	7,323,356	6,634,998	10.37%

Source : Indonesia Banking Statistics – Financial Services Authority November 2021; Bank Jatim Internal Data

Note : ^{*)} Bank grouping was converted into KBMI. November 2021 data uses KBMI II, while November 2020 data uses BUKU III.

In general, the main performance component of Bank Jatim for the October period (% YoY) grew positively and was higher than the growth of the banking industry, especially in terms of assets which grew to 17.66% and third party funds collection reached 18.76%. Meanwhile, in terms of lending, the acceleration of

loans growth was restrained by the COVID-19 pandemic which had an impact on the trend of public consumption. However, the growth of Bank Jatim's lending performance was higher at 4.17% compared to the national banking industry's lending growth which only grew to 2.78%.

Table of Comparison of Bank Ratio to Industry Average

(in %)

Ratio	November 2021			November 2020 ^{*)}		
	Bank Jatim	Group of Banks Based on Core Capital (KBMI) II	Banking Industry	Bank Jatim	Bank BUKU III	Banking Industry
Net Interest Margin (NIM)	5.08	3.72	4.51	5.59	3.49	4.41
Non Performing Loan (NPL) Gross	4.52	3.17	3.19	4.38	3.09	3.18
Return on Assets (RoA)	2.09	1.25	1.91	2.49	1.35	1.64
Capital Adequacy Ratio (CAR)	23.56	36.43	25.59	21.58	28.58	24.25
Loan to Deposit Ratio (LDR)	48.47	82.11	77.90	55.61	87.37	82.33
Operational Cost of Operating Income (BOPO)	72.60	90.63	82.97	70.58	89.57	86.04

Source : Indonesia Banking Statistics – Financial Services Authority November 2021; Bank Jatim Internal Data

Note : ^{*)} Bank grouping was converted into KBMI. November 2021 data uses KBMI II, while November 2020 data uses BUKU III.

Bank Jatim's performance ratios for the November 2021 period on several components are classified as better than the performance ratios of the banking industry and the KBMI II group, namely the performance of ROA, NIM and BOPO, which shows that Bank Jatim's operational activities are classified as more efficient than the banking industry and KBMI II. Bank Jatim's NIM, ROA and BOPO ratios for the November 2021 period reached 5.08%,

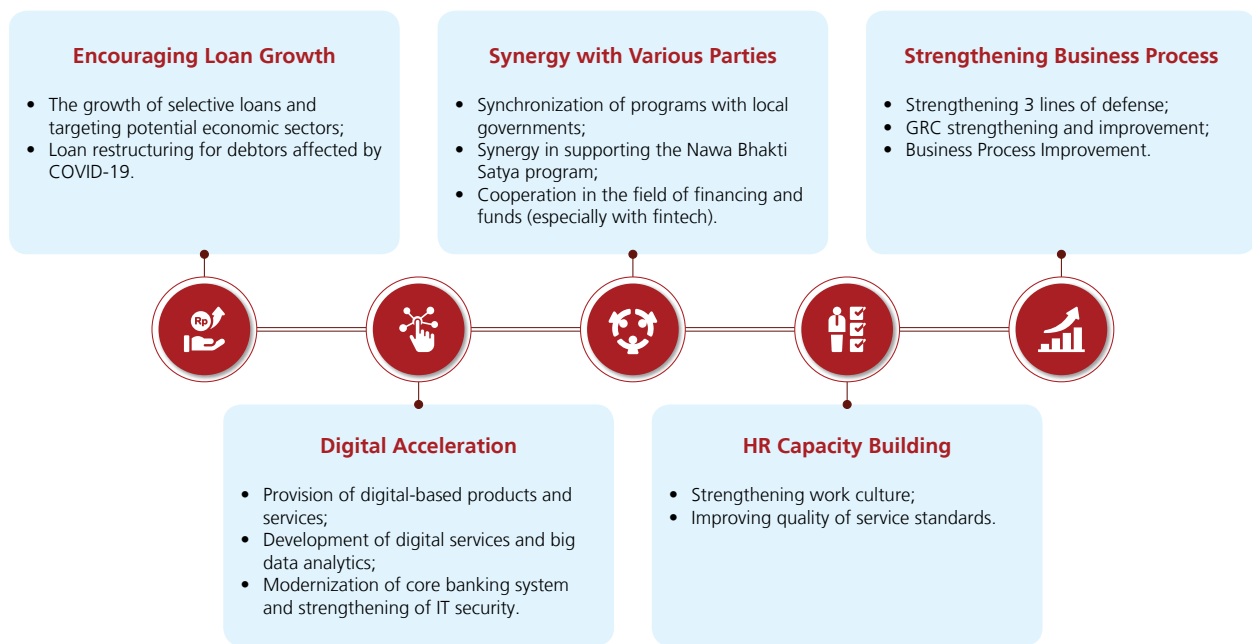
2.09% and 72.60%, respectively. In terms of gross NPL, compared to the banking industry group and KBMI II bank group, Bank Jatim's gross NPL for the November 2021 period was the highest at 4.52%. Meanwhile, in line with the NPL ratio, Bank Jatim's LDR ratio is also the lowest at 48.47% among the banking groups observed.

Operational Review

Bank Strategy

The COVID-19 pandemic that has occurred since 2020 has accelerated changes in people's behavior in the use of digital technology for various activities, including economic activities. This certainly affects the banking industry, which has participated in various transformations in the field of digital-based products and services to provide the best transaction experience for customers.

Facing various opportunities as well as challenges that arise from the acceleration of the use of digital technology, as well as efforts to continue to contribute to national and regional economic recovery amidst economic uncertainty due to the COVID-19 pandemic, as well as efforts to achieve sustainable business growth, the Bank focuses on implementing the following strategies:



As an effort to achieve the focus of the organization's goals and visions and missions, in the following year the Bank will continue to improve the quality of products and services through optimization and improvement of technology-based service products accompanied by strengthening and development of infrastructure and security of information and communication technology, increasing lending by taking into account the principles of prudence, market expansion and deepening, as well as increasing cooperation with various parties.

Bank Jatim in carrying out its business activities formulated a business strategy focus in 2021 which in achieving sustainable business growth, including the following:

1. Becoming a Regional Development Bank (BPD) Rank 2 (Achieving Assets) in 2021.
2. Minimizing the gap with Bank Bjb assets.
3. Growing above the average asset growth of the Regional Development Bank of Indonesia (BPD SI).
4. Corporate Actions to invest ±IDR13 billion in financial institutions and establishing a Regional Securities Company ±IDR5 billion.
5. Minimizing the gap with Bank Jateng's loans distribution.
6. Growing above the average growth of BPD SI loans distribution.
7. Acceleration of Loan processes and collaboration with the Central and Regional Governments through Synergy with Nawa Bhakti Satya.
8. Minimizing the gap by collecting Bank Bjb TPF.
9. Increasing the growth of deposits, especially in demand deposits and savings.
10. Maintaining Current Account Saving Account (CASA) Ratio at 64.99%.
11. Optimizing loans expansion.
12. Optimizing the role of Treasury.
13. Increasing the acquisition of fee based income.
14. Maintaining the best performance position Number 1 in the Infobank Commercial Banks Business Activities III Bank Category.

Marketing Aspects

Marketing Strategy in 2021

In line with business development, Bank Jatim continued to improve its marketing strategy by conducting promos, collaborations with other parties as well as developing products and services by trying to accommodate all customer needs. The following table is an explanation of the marketing strategy carried out by Bank Jatim.

No	Action Plan	Action Step	Implementation
PRIORITY			
1	Event promo program.	East Java Priority Community (Cooking Class, Sport and Music).	Q1-Q4
		East Java Priority Member get Member.	Q1-Q4
2	Promo program.	Siklus Suka-suka.	Q3-Q4
FOREIGN CURRENCY (VALAS)			
1	Cooperation with the Department.	Cooperation in training for export potential SMEs assisted by the Department of Industry and Commerce of East Java Province and Department of Industry and Commerce of Regency/City in 5 Bakorwil.	Q1-Q4
		Cooperation in providing export-import training to those assisted by the Department of Industry and Commerce of East Java Province and Department of Industry and Commerce of Regency/City.	Q1-Q4
2	Cooperation with the Import Export Association.	Training collaboration for 100 MSMEs with export potential assisted by the Indonesian Export Entrepreneurs Association (GPEI).	Q1-Q4
		Cooperation in export seminars and training with GPEI.	Q1-Q4
		Seminar and training on import cooperating with GNSI (Indonesian National Importers Association).	Q1-Q4
3	Cooperation with other agencies.	Host to host program with Bank BRI Fast Remittance.	
		UPAS Financing Cooperation with Bank Niaga.	
4	Promotion program.	Promotional program for foreign currency demand deposits, foreign currency savings and foreign currency deposits.	Q1-Q4
		Program promosi remittance.	Q1-Q4
		Program promosi trade finance.	Q1-Q4
CUSTODIAN			
1	Socialization of custodial services	Outreach to all divisions	Q1-Q4
		Outreach to all branches	Q1-Q4
2	Updating the core custodian system that could accommodate reconciliation, electronic proxy submission and adjustment to CBest Next G.	Coordinating with the IT Division regarding the updates to the core custodian system	Q1-Q4
3	Implementing an approach to local governments throughout East Java for distribution of Revenue Sharing Funds (DBH/General Allocation Funds) related to the opening of sub registry accounts at KSEI.	Cooperation with branches related to the opening of sub-registry accounts for local governments.	Q1-Q4
4	Evaluation of the core custodial system.	Evaluating the core custodial system with the IT Division.	Q1-Q4
5	Cooperation of custodial services with pension fund foundations in the East Java region.	Sending proposals related to Bank Jatim custodian services.	Q1-Q4
6	Custodian services cooperation with BUMD companies and private companies in the East Java region.	Sending proposals related to Bank Jatim custodian services.	Q1-Q4
7	Market custodian services to other BPD Banks with more competitive storage costs.	Sending proposals related to Bank Jatim custodian services.	Q1-Q4

No	Action Plan	Action Step	Implementation
PRODUCT DEVELOPMENT			
1	New product addition.	Term savings	Q3
		Addition of Bancassurance Telemarketing Smile Bachelor and Smile Dana Sejahtera (in collaboration with Sinarmas MSIG).	Q1-Q4
2	Product development.	Adding rider product to smile premium link (Sinarmas) product.	Q1-Q4
		Rider product development for multi-investment protection products (Equity Life Indonesia).	Q1-Q4
		Development of SMS Blast (2-way communication).	Q1-Q4
3	Promo program.	Plus interest cycle.	Q2
		Racing point for Telkomsel credit top-up transactions.	Q3
4	Fee based income optimization.	Cooperation with Alfamart regarding local tax payments.	Q1-Q4
		Optimization of virtual account utilization.	Q1-Q4
		Optimization of host to host utilization.	Q1-Q4
		An increase in the number of e-banking transactions.	Q1-Q4
		An increase in the number of e-banking transactions.	Q1-Q4
		Top up E-Money.	Q1-Q4
		Addition of e-channel billers.	Q1-Q4
5	Electronic money	Prepaid E-Money Card Co-Branding.	Q3
6	Acceptance of expanding the use of ATM cards.	Cooperation with Al-Rahj, JCB and Jalin.	Q1-Q4

Market Share

Bank Jatim as a Conventional Bank, in particular, faced competition with all conventional commercial banks of the KBMI II business class (Banks with core capital of IDR6 trillion to IDR14 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 loan extended by the Bank.

In order to accommodate the development of the banking industry, the regulator made adjustments to the grouping of bank core capital which was previously BUKU to KBMI. Changes in bank grouping based on KBMI generally have an impact on increasing the market share of Bank Jatim in the similar bank group compared to the market share of Bank Jatim in the BUKU III bank group. During the November 2021 period, Bank Jatim's market share in the KBMI II group was fairly positive, especially in the TPF component which was at 11.24%.

Table of Bank Jatim Market Share Compared to KBMI II

(in IDR billion)

Description	Information	November 2021	Information	November 2020 ¹⁾
Total Asset	KBMI II	1,185,288	BUKU III	2,902,552
	Bank Jatim	102,961	Bank Jatim	87,024
	Market Share (%)	8.69%	Market Share (%)	3.00%
Total Third Party Funds	KBMI II	786,797	BUKU III	1,993,215
	Bank Jatim	88,449	Bank Jatim	73,964
	Market Share (%)	11.24%	Market Share (%)	3.71%
Total of Loan Granted	KBMI II	651,854	BUKU III	1,741,154
	Bank Jatim	42,871	Bank Jatim	41,130
	Market Share (%)	6.58%	Market Share (%)	2.36%

Source : Indonesia Banking Statistics – Financial Services Authority November 2021; Bank Jatim Internal Data

Note : ¹⁾ Bank grouping was converted into KBMI. November 2021 data uses KBMI II, while November 2020 data uses BUKU III.

Diagram of Bank Jatim Market Share Compared to KBMI II November 2021

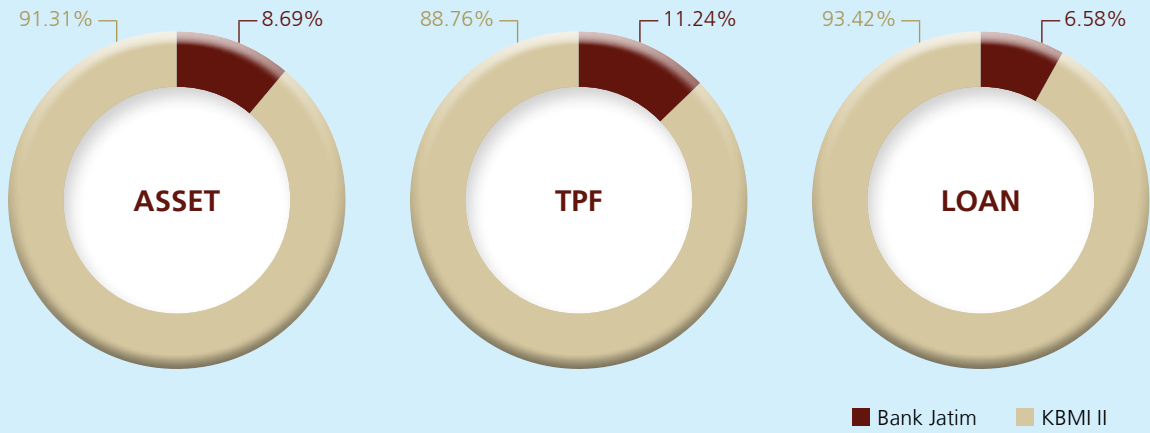
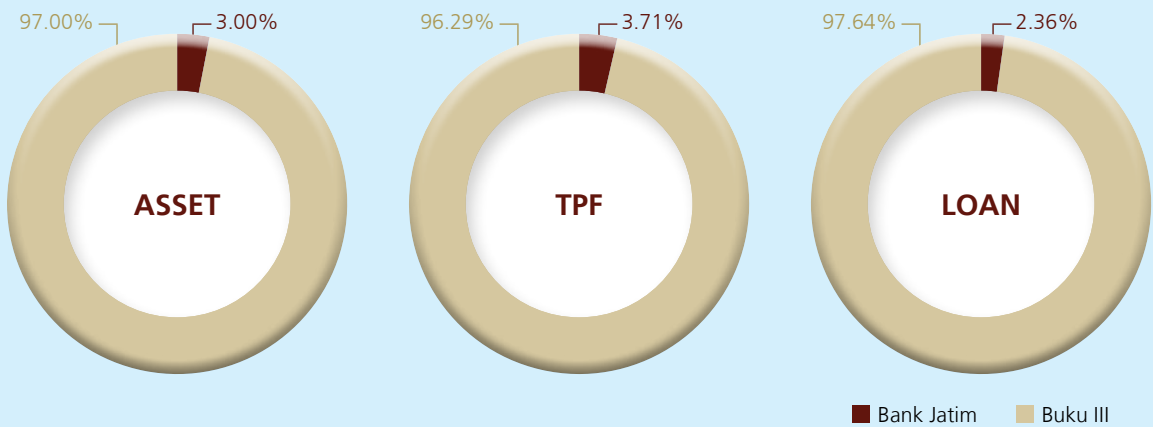
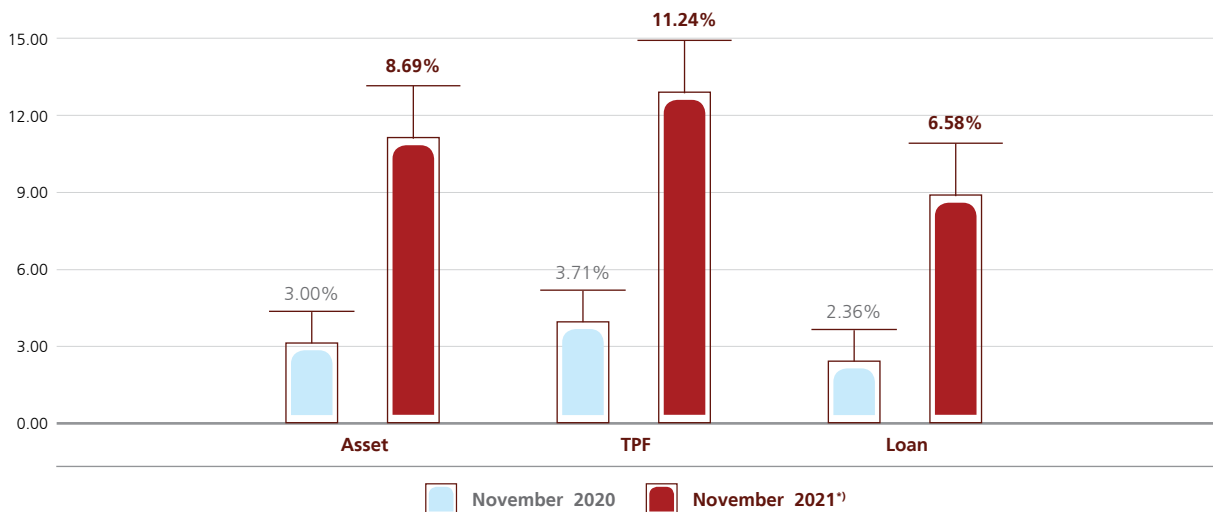


Diagram of Bank Jatim Market Share Compared to BUKU III November 2020^{*)}



Graph of Bank Jatim Market Share Compared to KBMI II and/or BUKU III^{*)}



Note : ^{*)} Bank grouping was converted into KBMI. November 2021 data uses KBMI II, while November 2020 data uses BUKU III.

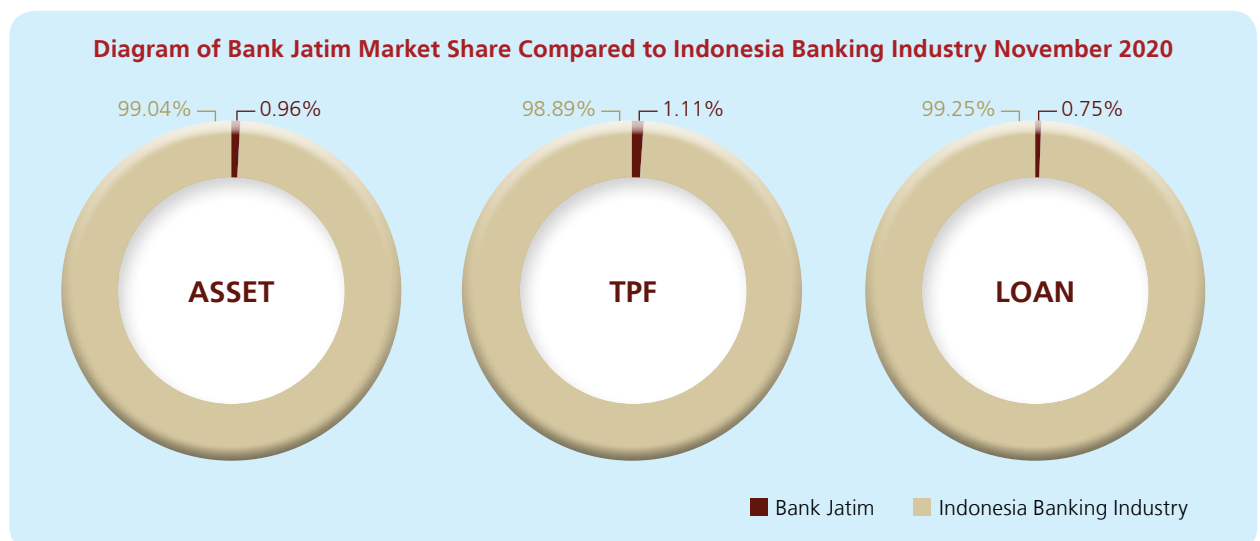
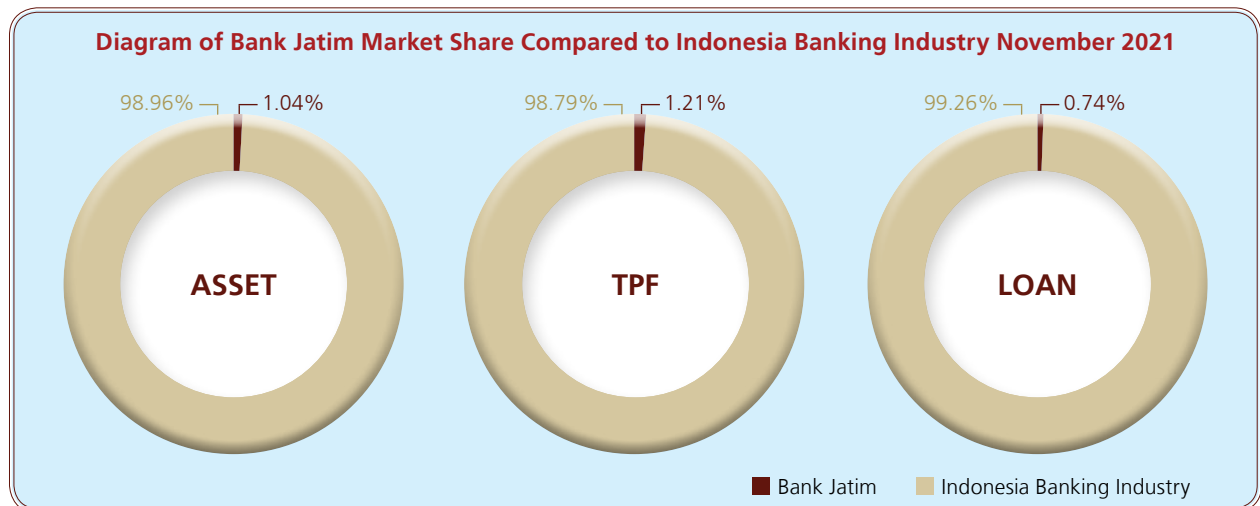
Table of Bank Jatim Market Share Compared to Indonesia Banking Industry

(in IDR billion)

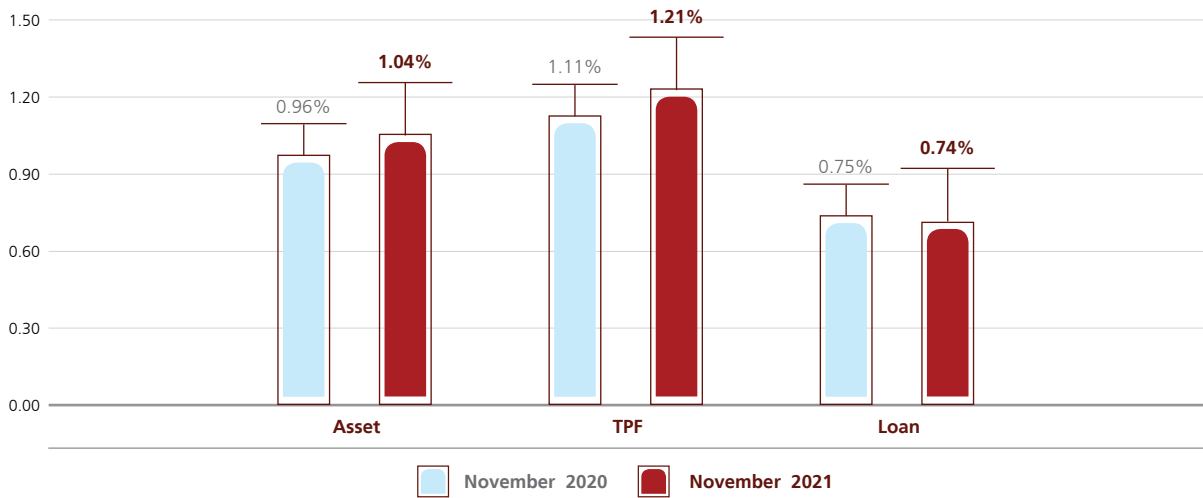
Description	Information	November 2021	November 2020	Increase/ Decrease
Total Asset	Banking Industry	9,913,669	9,053,446	860,223
	Bank Jatim	102,961	87,024	15,938
	Market Share (%)	1.04%	0.96%	0.08%
Total Third-Party Funds	Banking Industry	7,323,356	6,634,998	688,359
	Bank Jatim	88,449	73,964	14,485
	Market Share (%)	1.21%	1.11%	0.09%
Total of Loan Granted	Banking Industry	5,754,720	5,516,904	237,816
	Bank Jatim	42,871	41,130	1,741
	Market Share (%)	0.74%	0.75%	(0.01%)

Source : Indonesia Banking Statistics – Financial Services Authority November 2021; Bank Jatim Internal Data

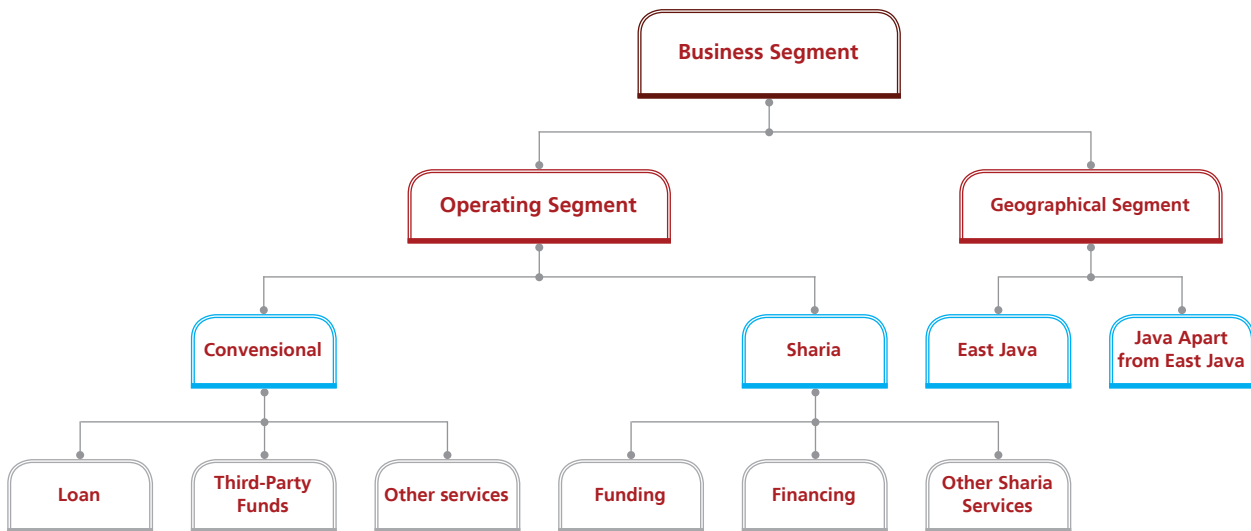
Bank Jatim's market share in general compared to the banking industry for the November 2021 period has increased compared to the same period the previous year, except for the loan distribution component which decreased although not significantly, which was 0.74%. The increase in the market share of Bank Jatim compared to the banking industry, especially in the TPF component, which was 1.21%, while the market share for the asset component was 1.04%.



Graph of Bank Jatim Market Share Compared to Indonesia Banking Industry



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 Commercial Loans, Corporate and Syndicated Loans, Consumer Loans, Retail Micro Loans and Programs.

Commercial, Corporate and Syndicated Loans

Commercial, Corporate and Syndicated 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 Commercial, Corporate and Syndicated Credit products is presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

Commercial, Corporate and Syndicated Loans productivity is described as follows:

Table of Commercial, Corporate and Syndicated Loans

(in IDR million)

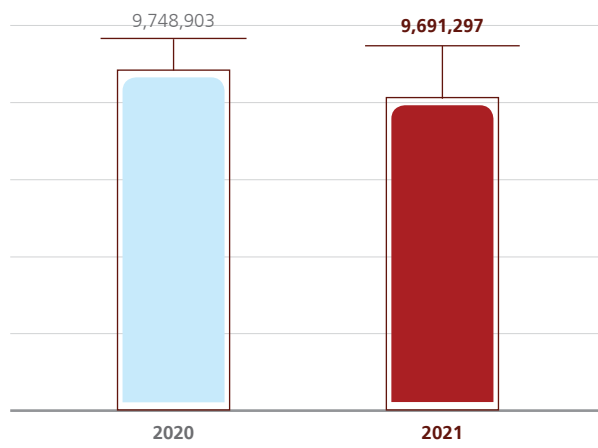
Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Syndication	3,812,670	4,093,357	(280,687)	(6.86%)
Property Construction	209,770	216,403	(6,633)	(3.06%)
Local Government Loans	-	-	-	-
Egional Public Service Agency (BLUD)	34,840	115,660	(80,820)	(69.88%)
General Investments	773,319	794,210	(20,891)	(2.63%)
General Working Capital	662,153	398,783	263,370	66.04%
Current Account Pattens (PRK)	2,941,197	3,161,270	(220,073)	(6.96%)
Presidential Decree	636,107	421,693	214,414	50.85%
Standby Loan	514,590	460,890	53,700	11.65%
Deposit Loans ^{*)}	-	33,151	(33,151)	-
Restructurisation	106,650	53,486	53,164	99.40%
Trade Finance	-	-	-	-
Accounts Receivable Financing	-	-	-	-
Total	9,691,297	9,748,903	57,606	(0.59%)

^{*)} In 2021, Time Deposits managed by the Consumer Segment.

Total Commercial, Corporate and Syndicated Loans in 2021 reached IDR9.69 trillion, a decrease of 0.59% compared to 2020 which amounted to IDR9.75 trillion. The decrease came from the repayment of syndicated loans of IDR280.69 billion, a decrease of 6.86% from the syndicated loan acquisition in the previous year.

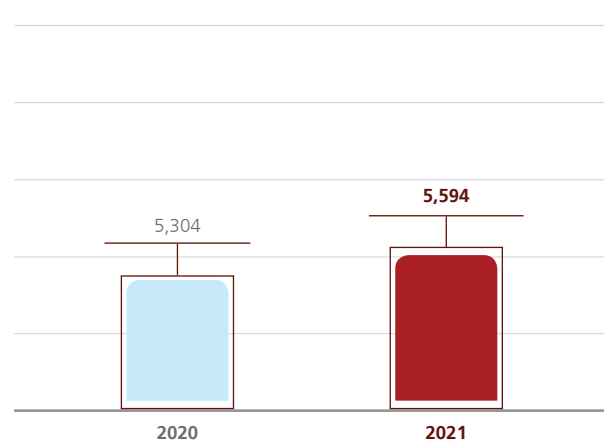
Graph of Commercial, Corporate and Syndicated Loans

(in IDR million)



Graph of Commercial, Corporate and Syndicated Loans Debtors

(in person)



The number of Commercial, Corporate and Syndicated Loans debtors in 2021 was 5,594 debtors, an increase of 5.47% compared to 2020 which was 5,304 debtors. The increase mainly came from the increase in debtors from the Presidential Decree as many as 429 debtors, Standby Loans as many as 137 debtors and General Working Capital as many as 112 debtors.

Table of Number of Commercial, Corporate and Syndicated Loans Debtors

(in person)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Syndication	25	33	(8)	(24.24%)
Property Construction	216	162	54	33.33%
Local Government Loans	-	-	-	-
Regional Public Service Agency (BLUD)	1	3	(2)	(66.67%)
General Investments	233	232	1	0.43%
General Working Capital	516	404	112	27.72%
Current Account Pattens (PRK)	2,613	2,879	(266)	(9.24%)
Presidential Decree	1,347	918	429	46.73%
Standby Loan	599	462	137	29.65%
Deposit Loans*)	-	155	(155)	-
Restructurisation	44	56	(12)	(21.43%)
Trade Finance	-	-	-	-
Accounts Receivable Financing	-	-	-	-
Total Number of Debtors	5,594	5,304	290	5.47%

*In 2021, Time Deposits managed by the Consumer Segment.

The description of each loans productivity for Commercial, Corporate and Syndicated Loans is described as follows:

- Syndication**
 Syndicated Loans in 2021 amounted to IDR3.81 trillion, decreased by IDR280.69 billion or 6.86% compared to 2020 of IDR4.09 trillion. The number of Syndicated Loans debtors decreased by 24.24% from 33 debtors in 2020 to 25 debtors in 2021.
- Property Construction**
 Property Construction Loans in 2021 amounted to IDR290.77 billion, decreased by IDR6.63 billion or 3.06% compared to 2020 of IDR216.40 billion. The number of debtors for Property Construction Loans increased by 33.33% from 162 debtors in 2020 to 216 debtors in 2021.
- Local Government Loans**
 In 2020-2021, there was no Local Government Loans disbursement.
- Regional Public Service Agency (BLUD)**
 BLUD Loans in 2021 amounted to IDR34.84 billion, decreased by IDR80.82 billion or 69.88% compared to 2020 of IDR115.66 billion. The number of BLUD Loans debtors decreased by 66.67% from 3 debtors in 2020 to 1 debtor in 2021.
- General Investment**
 General Investment Loans in 2021 amounted to IDR773.32 billion, decreased by IDR20.89 billion or 69.88% compared to 2020 of IDR115.66 billion. The number of General Investment Loans debtors increased by 0.43% from 232 debtors in 2020 to 233 debtors in 2021.
- General Working Capital**
 General Working Capital Loans in 2021 amounted to IDR662.15 billion, an increase of IDR263.37 billion or 66.04% compared to 2020 of IDR398.78 billion. The number of debtors for General Working Capital Loan has increased by 27.72% from 404 debtors in 2020 to 516 debtors in 2021.
- Current Account Pattens (PRK)**
 PRK Loans in 2021 amounted to IDR2.94 trillion, decreased by IDR220.07 billion or 6.96% compared to 2020 which was IDR3.16 trillion. The number of PRK Loans debtors decreased by 9.24% from 2,879 debtors in 2020 to 2,613 debtors in 2021.
- Presidential Decree**
 Presidential Decree Loans in 2021 is IDR636.12 billion, an increase of IDR214.41 billion or 50.85% compared to 2020 of IDR421.69 billion. The number of Presidential Loans debtors increased by 46.73% from 918 debtors in 2020 to 1,347 debtors in 2021.
- Standby Loan**
 Standby Loan in 2021 amounted to IDR514.59 billion, an increase of IDR53.70 billion or 11.65% compared to 2020 of IDR460.89 billion. The number of Standby Loan debtors has increased by 29.65% from 462 debtors in 2020 to 599 debtors in 2021.
- Deposit Loans**
 In 2021, Deposit Loans are managed by the Consumer Segment, so that Deposit Loans in 2021 was decrease compared to 2020 which was IDR33.15 billion. Likewise, time deposit loan debtors in 2020 decreased, from 2020 which amounted to 155 debtors.
- Restructurisation**
 Restructuring Loans in 2021 amounted to IDR106.65 billion, an increase of IDR53.16 billion or 99.40% compared to 2020 of IDR53.49 billion. The number of debtors for Restructuring Loans decreased by 21.43% from 56 debtors in 2020 to 44 debtors in 2021.

- **Trade Finance**

In 2020-2021, there was no Trade Finance Loans disbursement

- **Accounts Receivable Financing**

In 2020-2021, there was no Accounts Receivable Financing Loans disbursement

2021 Commercial, Corporate and Syndicated Loans Strategy

A description of the Commercial, Corporate and Syndicated Loans 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 Loan 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/loan deposits to all branches every month.
4. Excavation of cascading search for branches and centers weekly per month, in particular increasing the loan 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 Loan

Consumer Loans consisted of Multipurpose Loans, Employee Loans, Deposit Loan, Motor Vehicle Loans, Property Loans and Gold Backed Loans. A description of each Consumer Loan product is presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

Consumer Loan productivity is described as follows:

Table of Consumer Loan

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Multifunction Loans	22,301,540	21,964,336	337,204	1.54%
Employee Loans	2,124,320	2,144,531	(20,211)	(0.94%)
Deposit Loan	55,097	33,151	21,946	66.20%
Motor Vehicle Loans	9,473	2,720	6,753	248.27%
Property Loans (General KPR, Property Backed Consumption Loans/ KKBP, Housing Financing Liquidity Facility/FLPP)	1,818,334	1,839,764	(21,430)	(1.16%)
Gold Backed Loan	4,850	5,405	(555)	(10.27%)
Total	26,313,613	25,989,907	323,706	1.25%

Business Prospect in 2022 Commercial, Corporate and Syndicated Loans

Business Prospects for 2022 include the following sectors:

1. Construction sector, especially the source of APBN and APBD funds
Bank Jatim as a partner of the Government is always enthusiastic in supporting the development initiated by the Government as a form of Bank Jatim's commitment to support the Government's steps.
2. Health Sector
In the current state of the COVID-19 pandemic, it is appropriate for Bank Jatim to be present to cooperate with several hospitals, both government-owned and private, in terms of financing to meet medical needs, in order to create a healthy and Covid-free atmosphere.

2022 Commercial, Corporate and Syndicated Loans Strategy

The description of the Commercial, Corporate and Syndicated Loan strategies to be carried out in 2022 is presented as follows:

1. Building an organized and visualized sales pipeline.
2. Synergizing with government programs (providing stimulus and monitoring debtors affected by COVID-19).
3. Collaborating with other banks to provide syndicated financing for Government projects and prospective private businesses.
4. Participating in green financing (environmentally friendly based)
5. Increasing the prospect of Number of Accounts (NoA) of potential sectors by:
 - a. Mapping potential sectors with sector characteristics where there is potential and current.
 - b. Approaching the debtor to enter the debtor's business association and obtain a list of prospective debtors.
6. Conducting socialization on updating the PSC Division's SOP and conducting training to improve the capacity of the officers in charge.
7. Assistance and evaluation to branches through cascading branch excavation, specifically increasing the loan expansion of the PSC Division.

Total Consumer Loan in 2021 reached IDR26.31 trillion, an increase of 1.25% compared to 2020 which amounted to IDR25.99 trillion. The increase was mainly derived from the Multipurpose loan growth of 1.54% or IDR337.20 billion.

Based on the composition, Multipurpose Loans made the largest contribution to reach 84.75% followed by Employee Loans at 8.07%, Property Loans at 6.91%, Deposit Loans at 0.21%, Motor Vehicle Loans at 0.04% and Gold Backed Loan of 0.02% of the amount of Consumptive Loans in 2021.

In 2021 the number of Consumptive Loans debtors of Bank Jatim was recorded at 244,877 debtors, an increase of 439 debtors or 0.18% compared to 2020 as many as 244,438 debtors. From the conclusion above, the Multipurpose Loan Scheme provided the largest contribution, this was due to the Multipurpose Loan promo moment.

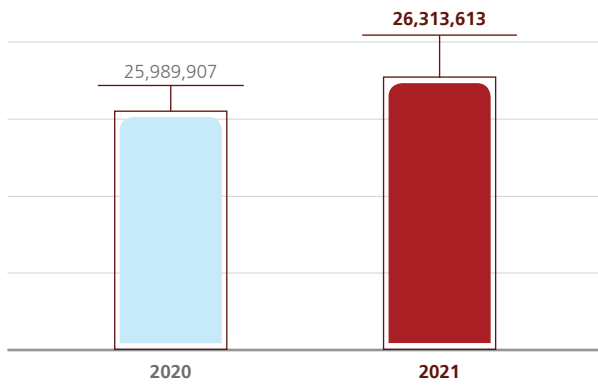
Table of Number of Consumer Loan Debtors

(in person)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Multifunction Loans	230,468	230,771	(303)	(0.13%)
Employee Loans	4,994	4,179	815	19.50%
Deposit Loan	163	155	8	5.16%
Motor Vehicle Loans	298	216	82	37.96%
Property Loans (General KPR, Property Backed Consumption Loans/ KKBP, Housing Financing Liquidity Facility/FLPP)	8,806	8,918	(112)	(1.26%)
Gold Backed Loan	148	199	(51)	(25.63%)
Total Jumlah Debitur	244,877	244,438	439	0.18%

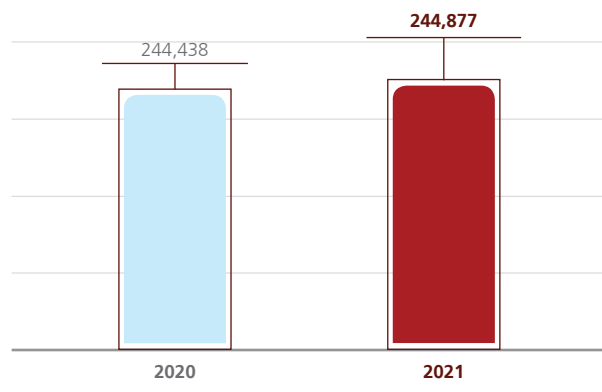
Graph of Consumer Loan

(in IDR million)



Graph of Consumer Loan Debtors

(in person)



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

- **Multiguna (Multipurpose) Loans**

Multipurpose Loans in 2021 amounted to IDR22.30 trillion, an increase of IDR337.20 billion or 1.54% compared to 2020 of IDR21.96 trillion. The number of Multipurpose Loan debtors decreased by 0.13% from 230,771 debtors in 2020 to 230,468 debtors in 2021 due to debtor data cleansing.

- **Employee Loan**

Employee Loans in 2021 reached IDR2.12 trillion, a decrease of IDR20.21 billion or 0.94% compared to 2020 of IDR2.14 trillion. The number of Employee Loan debtors increased by 815 debtors or 19.50% from 4,179 debtors in 2020 to 4,994 debtors in 2021.

- **Deposit Loan**

Time Deposit Loan in 2021 reached IDR55.10 billion, an increase of IDR21.95 billion or 66.20% compared to 2020 of IDR33.15 billion. The number of time deposit debtors increased by 8 debtors or 5.16% from 155 debtors in 2020 to 163 debtors in 2021.

- **Motor Vehicle Loan**

Vehicle loans in 2021 amounted to IDR9.47 billion, an increase of IDR6.75 billion or 248.27% compared to 2020 which amounted to IDR2.70 billion. The number of Motor Vehicle Loan debtors increased by 82 debtors or 37.96% from 216 debtors in 2020 to 298 debtors in 2021.

- **Property Loan**

Property loans in 2021 reached IDR1.82 trillion, a decrease of IDR21.43 billion or 1.16% compared to 2020 of IDR1.84 trillion. The number of Property Loan debtors decreased by 1.26% from 8,918 debtors in 2020 to 8,806 debtors in 2021.

- **Gold Backed Loan**

Gold Backed Loans in 2021 reached IDR4.85 billion, a decrease of IDR555 million or 10.27% compared to 2020 of IDR5.41 billion. The number of Property Loan debtors decreased by 25.63% from 199 debtors in 2020 to 148 debtors in 2021.

2021 Consumer Loan Strategy

A description of the Consumer loan strategy implemented in 2021 is presented as follows:

1. Conducting member get member marketing program.
2. Conducting marketing incentive marketing programs.
3. Lottery program with prizes.
4. Development of E-KMG Version 2
5. Building a community involving regional heads, heads of services, regional treasurers, Civil Government (actively involved in the activities of Regional Government Organizations (OPD)
6. Award program for the selection of services contributing and playing a role in the growth of Multipurpose Loans.
7. Optimizing financing to village officials through the implementation of PKS with the Indonesian Village Apparatus Association (PPDI) and financing to Legislative Members.
8. Developing civil government database and performing analysis as reference data for marketing personnel.
9. Collaboration with other banks to take over Multipurpose Loan.
10. Monitoring the achievement of loan marketing personnel targets.
11. Building a Multipurpose Loan referral community and providing priority services or more rewards for loyal referrals.
12. Building the image of the Multipurpose Loan products.
13. MAP application development.
14. Member get member program and marketing incentives for referrals who could refer prospective KKB debtors.
15. Monitoring the achievement of marketing personnel targets for KKB.
16. Marketing KKB loan (Virtual Expo).
17. Promo interest rates and free admin fees.
18. Evaluating the achievement of KKB in 2020 and asking for problems in distributing KKB and inputing for improving product provisions.
19. Lottery program with prizes.
20. Conducting product marketing programs through the Bank's social media, create media or marketing tools.
21. Adding Cooperation Agreement (MoU) with developers and property agents for new units and used houses.
22. Gathering with Association Members and Housing Developers in East Java
23. Evaluating SOPs for Commercial Mortgage Products (Property Ownership Loan and KKBP).
24. Marketing incentive program for referrals who can refer prospective debtors (referrals are bank employees).
25. Marketing incentive program for referrals who can refer prospective debtors (referrals are customers).

26. Socializing and updating the Subsidized KPR BPP following the development of the property business.

27. Monitoring the realization of KPR FLPP at Branch Offices.

28. Evaluating product SOPs in accordance with the market and competitors.

Business Prospect and Strategies for 2022 Consumer Loan

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

1. Conducting marketing incentive marketing programs.
2. Promo interest rates and fees.
3. Lottery program with prizes.
4. Development and launching of E-KMG Version 2
5. Evaluation of the provision of billing/marketing wages through Kasda.
6. Developing civil government database and performing analysis as reference data for marketing personnel.
7. Collaboration with other banks to take over Multipurpose Loan.
8. Study of credit card development.
9. Monitoring the achievement of loan marketing personnel targets (loan marketing application development)
10. Collaborating on loan distribution with fintech companies.
11. Renewing cooperation with Taspen and carrying out refreshment of Taspen flagging implementation.
12. Monitoring the implementation of insurance in coordination with the Operations Division.
13. Monitoring the implementation of branch marketing programs.
14. Marketing incentive program for referrals who could refer prospective KKB debtors.
15. Monitoring the achievement of marketing personnel targets for KKB.
16. Marketing KKB loan through virtual expo.
17. Evaluating the achievement of the 2021 KKB and ask for problems in the distribution of KKB and input for improving product provisions.
18. Proposing special interest rates/costs for environmentally friendly vehicle KKB.
19. Lottery program with prizes or other programs (example: giving shopping vouchers for 50 loan applications).
20. Conducting product marketing programs through the Bank's social media, creating media or marketing tools, monitor marketing targets, cross selling.
21. Adding PKS with developers and property agents.
22. Gathering with association members and housing developers in East Java
23. Marketing incentive program for referrals who can refer prospective debtors (referrals are bank employees).
24. Socializing and updating the Subsidized KPR BPP following the development of the property business.
25. Monitoring the realization of FLPP KPR at Branch Offices and providing FLPP KPR targets for potential branches.
26. Preparing a plan for cooperation in the distribution of Tapera mortgages with BP Tapera and related divisions.
27. Collaborating with FLPP/Tapera home developers.
28. Evaluating product SOPs in accordance with the market and competitors.

Micro, Retail and Program Loan

Retail and Program Micro Loan Division became the Loan Division overseeing the East Java Retail Loans scheme, Laguna Micro Loan, BPR Linkage Loan, BPR RC Loan (Current Account), People's Business Loan (KUR), Fintech Linkage Loan, Warehouse Receipt Loan, Loans to Cooperatives For its members (KKPA), Loans to Cooperatives (KKOP), KUMK SU-005/KIP, Cattle Breeding Business Loan (KUPS), Food Security & Energy Loan (KKPE), East Java Micro Loan and Si UMI Loan.

Micro, Retail and Program Loan productivity is described as follows:

Table of Micro, Retail and Program Loan

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth		Composition 2021 (%) (6)
			IDR (4) = (2)-(3)	% (5) = (4)/(3)	
Jatim Retail Loan	1,665,202	1,891,880	(226,677)	(11.98%)	33.43%
Laguna Micro Loan	1,524	3,006	(1,482)	(49.30%)	0.03%
BPR Linkage Loans	270,329	267,862	2,466	0.92%	5.43%
People's Business Loans (KUR)	576,604	-	576,604	100.00%	11.57%
Member Primary Cooperative Loan Bank (KKPA)	575,444	632,780	(57,336)	(9.06%)	11.55%
Loan Bank to Cooperatives (KKOP)	19,055	28,875	(9,821)	(34.01%)	0.38%
Micro Small Business Loans (KUMK) SU-005/ Government Investment Loans (KIP)	2,989	3,310	(321)	(9.71%)	0.06%
Cattle Breeding Business Loans (KUPS)	4,036	4,036	-	0.00%	0.08%
Food and Energy Security Loans (KKPE)	770	827	(57)	(6.93%)	0.02%
Jatim Micro Loans	1,040,174	1,066,248	(26,074)	(2.45)%	20.88%
Fintech Linkage Loan	583,556	132,880	450,676	339.16%	11.71%
SIUMI Loans	127,264	85,549	41,715	48.76%	2.55%
BPR RC Loan (Newspaper Account)	114,942	55,898	59,044	105.63%	2.31%
Total	4,981,888	4,173,152	808,736	19.38%	100.00%

Bank Jatim in 2021 for the Micro, Retail and Program Loan scheme disbursed loans of IDR4.98 trillion, an increase of IDR808.73 billion or 19.38% compared to 2020 of IDR4.17 billion. This was due to an increase in the People's Business loan (KUR) scheme of IDR576.60 billion, Fintech Linkage Loan of IDR450.67 billion, BPR RC Loan (Newspaper Account) of IDR59.04 billion, SiUmi Loan of IDR41.72 billion, and BPR Linkage Loans amounting to IDR2.46 billion.

Based on the composition, East Java Retail Loans contributed the largest to reach 33.43% followed by East Java Micro loans at 20.88%, Linkage Fintech loans at 11.71% and People's Business Loan (KUR) at 11.57% of the total loan period of December 31, 2021.

As of December 31, 2021, the number of Bank Jatim Micro, Retail, and Program Loans debtors was 268,477 debtors, an increase of 182,215 debtors or 211.23% from 86,262 debtors in 2020.

Table of Micro, Retail and Program Debtors

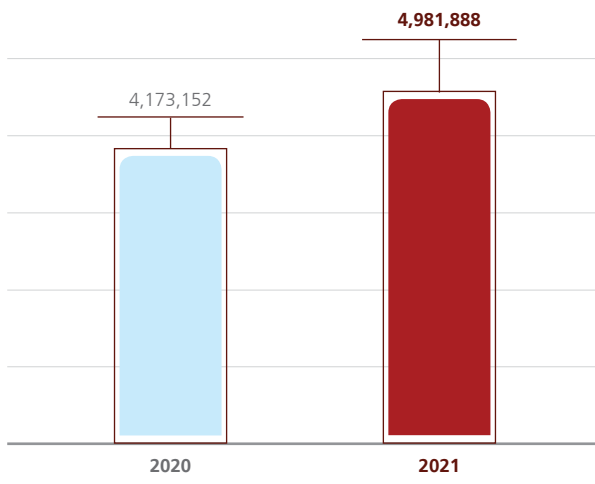
(in person)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Jatim Retail Loan	20,417	23,819	(3,402)	(14.28%)
Laguna Micro Loan	158	295	(137)	(46.44%)
BPR Linkage Loans	72	89	(17)	(19.10%)
People's Business Loans (KUR)	4,932	-	4,932	100%
Member Primary Cooperative Loan Bank (KKPA)	6	7	(1)	(14.29%)
Loan Bank to Cooperatives (KKOP)	16,641	18,211	(1,570)	(8.62%)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Micro Small Business Loans (KUMK) SU-005/ Government Investment Loans (KIP)	49	61	(12)	(19.67%)
Cattle Breeding Business Loans (KUPS)	28	36	(8)	(22.22%)
Food and Energy Security Loans (KKPE)	5	5	-	0.00%
Jatim Micro Loans	65	68	(3)	(4.41%)
Fintech Linkage Loan	2	2	-	0.00%
SiUMI Loans	9,906	9,434	472	5.00%
BPR RC Loan (Newspaper Account)	214,906	33,363	181,543	544.14%
Jatim Retail Loan	1,271	855	416	48.65%
Laguna Micro Loan	19	11	8	72.73%
Total Debtors	268,477	86,262	182,215	211.23%

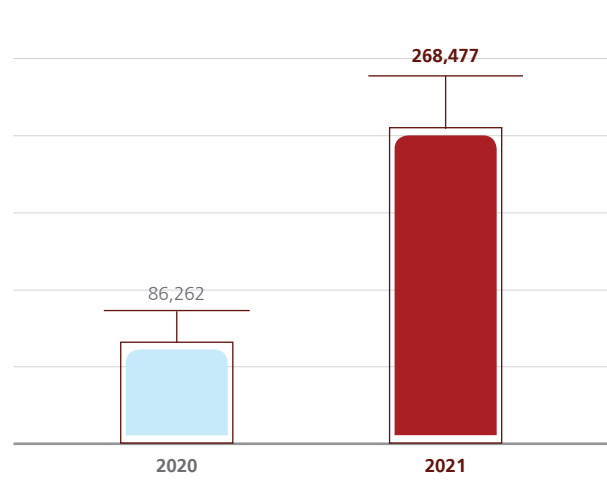
Graph of Micro, Retail and Program Loan

(in IDR million)



Graph of Micro, Retail and Program Debtors

(in person)



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

- Jatim Retail Loan**
 East Java Retail Loans in 2021 reached IDR1.67 trillion, decreasing IDR226.68 billion or (11.98%) compared to 2020 of IDR1.89 trillion. The number of East Java Retail Loan debtors decreased by 3,402 debtors or (14.28%) from 23,819 debtors in 2020 to 20,417 debtors in 2021.
- Laguna Micro Loan**
 Laguna Micro Loans in 2021 reached IDR1.52 billion, a decrease by IDR1.48 billion or (49.30%) compared to 2020 of IDR3.00 billion. The number of Laguna Micro Loan debtors decreased by 137 debtors or (46.44%) from 295 debtors in 2020 to 158 debtors in 2021.
- BPR Linkage Program Loans**
 BPR Linkage Program Loan in 2021 reached IDR270.33 billion, an increase of IDR2.47 billion or 0.92% compared to 2020 of IDR267.86 billion. The number of BPR Loan Linkage Program debtors decreased by 17 debtors or 19.10% from 89 debtors in 2020 to 72 debtors in 2021.
- People's Business Loans (KUR)**
 People's Business Loan in 2021 was IDR576.60 billion; Bank Jatim only took participation on the People's Business Loan (KUR) program in May 2021 and the number of People's Business Loan (KUR) debtors was 4,926 debtors in 2021.
- Member Primary Cooperative Bank Loan (KKPA)**
 Loan to Cooperatives for its Members (KKPA) in 2021 reached IDR575.44 billion, a decrease of IDR57.34 billion or (9.06%) compared to 2020 of IDR632.78 billion. The number of debtors for Loan to Cooperatives for Members (KKPA) decreased by 1,570 debtors or (8.62%) from 18,211 debtors in 2020 to 16,641 debtors in 2021.
- Bank Loan to Cooperatives (KKOP)**
 Loan to Cooperatives (KKOP) in 2021 reached IDR19.06 billion, a decrease of IDR9.82 billion or 34.01% compared to 2020 of IDR28.88 billion. The number of creditors to cooperatives (KKOP) decreased by 12 debtors or (19.67%) from 61 debtors in 2020 to 49 debtors in 2021.

- **KUMK SU-005/KIP**
KUMK SU-005/KIP in 2021 reached IDR2.99 billion, a decrease by IDR321 million or (9.71%) compared to 2020 which was IDR3.31 billion. The number of KUMK SU-005/KIP debtors decreased by 8 debtors or (22.22%) from 36 debtors in 2020 to 28 debtors in 2021. This was because Bank Jatim since 2019 did not disburse this loan scheme.
- **Cattle Breeding Business Loan (KUPS)**
Cattle Breeding Business Loan (KUPS) in 2021 reached IDR4.04 billion, neither increased nor decreased compared to 2020 of IDR4.04 billion. The number of debtors for Cattle Breeding Business Loan also did not increase and decrease from 5 debtors in 2020 to 5 debtors in 2021. This was because Bank Jatim since 2015 did not disburse this loan scheme.
- **Food and Energy Security Loan (KKPE)**
Food and Energy Security Loan (KKPE) in 2021 reached IDR770 million, a decrease of IDR57 million or (6.93%) compared to 2020 of IDR827 million. The number of debtors for Food and Energy Security Loan decreased by 3 debtors from 68 debtors in 2020 to 65 debtors in 2021. The decline in the number of loan and debtors for Food and Energy Security Loan was due to Bank Jatim since 2016 did not distribute the loan scheme.
- **Jatim Micro Loan**
East Java Micro Loans in 2021 reached IDR1.04 trillion, a decrease of IDR26.07 billion or (2.45%) compared to 2020 of IDR1.07 trillion. The number of East Java Micro Loan debtors increased by 472 debtors or 5% from 9,434 debtors in 2020 to 9,906 debtors in 2021.
- **Fintech Linkage Loan**
Linkage Fintech loans in 2021 reached IDR583.56 billion, an increase of IDR450.68 billion or 339.16% compared to 2020 of IDR132.88 billion. The number of Fintech Linkage Loan debtors increased by 181,543 debtors or 544.14% from 33,363 debtors in 2020 to 214,906 debtors in 2021.
- **SIUMI Loans**
SIUMI loan in 2021 reached IDR127.26 billion, an increase of IDR41.72 billion or 48.76% compared to 2020 of IDR85.55 billion. The number of SIUMI loan debtors increased by 416 debtors or 48.65% from 855 debtors in 2020 to 1,271 debtors in 2021.
- **BPR RC Loan (Newspaper Account)**
Current Account BPR loan in 2021 reached IDR114.94 billion, an increase of IDR59.04 billion or 105.63% compared to 2020 of IDR55.89 billion. The number of current account BPR loan debtors increased by 8 debtors or 72.73% from 11 debtors in 2020 to 19 debtors in 2021.

2021 Micro, Retail and Program Loan Strategy

The description of the Retail Micro Loan strategy and Programs to be implemented in 2020 is presented as follows:

1. Developing the E-Loan and Jatim Kilat applications by mobile as a way to more quickly process loan applications.
2. Cooperating with related agencies to open up opportunities for greater loan 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 loan promotion.
6. Improving the monitoring of the implementation of loan 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.

Competitive Advantage and Innovation of Retail Micro Loans and Programs

The Competitive Advantages and Innovations of Retail Micro Loans and Programs were as follows:

1. For loans schemes to cooperatives for members (KKPA) the loans period could be up to 15 years.
2. For the BPR linkage scheme, the loans period could be up to 15 years.
3. Loans Process Acceleration through the application.
4. Competitive Interest Rates.
5. The loan installment scheme could be adjusted to the needs of the debtor.

Business Prospect in 2022 for Micro, Retail and Program Loan

A description of the business prospects of each Micro, Retail and Program Loan product in 2022 is presented as follows:

1. **Jatim Retail Loan**
Jatim Retail Loan was one of the productive loan schemes, previously Pundi Kencana changed its name to Jatim Retail, which was owned by Bank Jatim to support prospective debtors in obtaining capital assistance, especially MSME debtors with a maximum loan limit of IDR1 billion. Prospects for the 2022 Jatim Retail loan Scheme was still the mainstay of Bank Jatim in distributing Productive loan (MSMEs). Bank Jatim also continued to expand to provide capital to MSMEs with competitive interest rates and features in order to increase the class and make MSMEs bigger. In addition, Bank Jatim's collaboration with related agencies and services could provide further information regarding groups or individual MSMEs that had the potential to be financed.
2. **Linkage BPR and BPR RC Loan (Newspaper Account)**
Linkage BPR is a loan scheme for the Micro-Retail and Program Loan Division with the executing pattern and BPR is the loan target of this scheme. The prospect for 2022 of BPR linkage loan 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 channeled to provide capital to cooperatives in the working area of Bank Jatim, both to savings and loan cooperatives and other forms. The form of KKPA loan is the working capital loan with an executing pattern while for KKOP was in the form of working capital loan and investment with an executing pattern. Business prospects in 2022 Bankit KKPA and KKOP are still superior for the Micro-Retail and Program Loan Division which will be distributed to corporate cooperatives and bona fide cooperative institutions.

4. Jatim Micro Loan

Jatim Micro Loan is a loan channeled by Bank Jatim through micro units with the target of MSME loan in East Java province, the maximum limit that can be given is up to IDR250 million. Prospects for 2022 Loan 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 loan expansion through BumDes, Presidential Decree Pattern and also cooperate with related agencies.

5. People's Business Loan (KUR)

People's Business Loan (KUR) became a product of Bank Jatim, and it was channeled to provide capital, especially to MSME debtors with a maximum loan limit of IDR500 million. The prospect for 2022 will be the People's Business Loan (KUR) scheme with a realization target of IDR2 trillion because the People's Business Loan (KUR) scheme was still the mainstay of Bank Jatim in distributing Productive Loans (MSMEs) due to the realization of People's Business Loan (KUR) which was

distributed starting in May 2021 until the end of December 2021 had reached IDR576.6 billion with a total of 4,932 debtors.

2022 Micro, Retail and Program Strategy

The description of the Retail Micro Loan strategy and Programs to be implemented in 2022 is presented as follows:

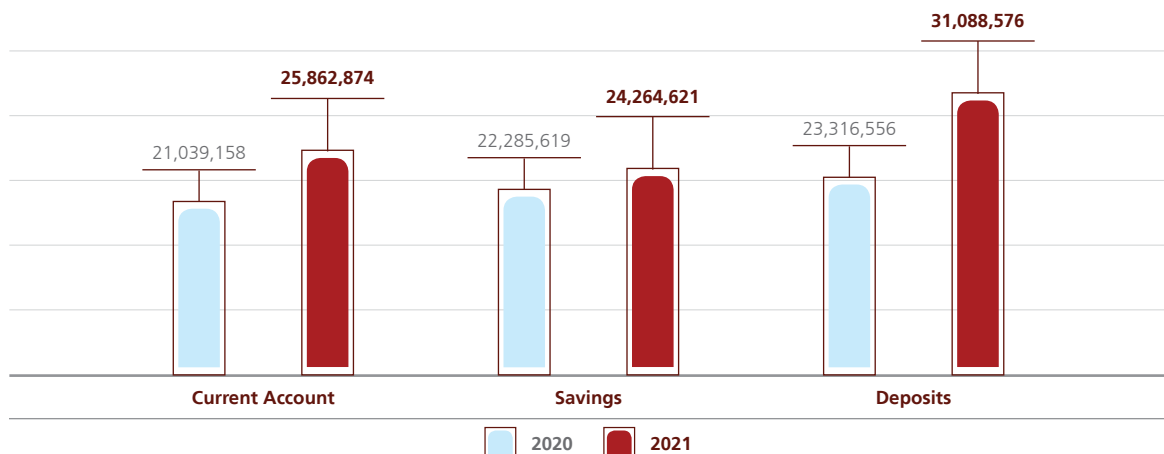
1. Improving provisions (SOP) to support the achievement of the Micro, Retail and Program Loan Division targets.
2. Developing the E-Loan and Jatim Kilat applications by mobile as a way to more quickly process loan applications.
3. Cooperating with related agencies to open up opportunities for greater loan expansion, especially in East Java.
4. Penetrating the market in order to maximize lending to MSMEs.
5. Increasing distribution of Micro and Retail Loans Program through collaboration with Fintech companies.
6. Expanding the UMKM target market by collaborating with associations and increasing cooperation with all BUMDES in East Java.
7. Promoting loan products through print/electronic/social media and making product videos.
8. Improving the monitoring of the implementation of loan expansion in order to maintain the collectability of current loans
9. 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
10. Expanding financing and funding cooperation with BPR Perbamide and Perbarindo.

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

(in IDR million)



Current Account

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

Bank Jatim Current Account productivity is described as follows:

Table of Current Account Productivity

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Local Government Current Accounts	16,440,199	14,112,454	2,327,745	16.49%
General Current Accounts	9,422,675	6,926,704	2,495,971	36.03%
Total	25,862,874	21,039,158	4,823,716	22.93%

Current accounts in 2021 reached IDR25.86 trillion, an increase of 22.93% compared to 2020 which reached IDR21.04 trillion. The increase came from Regional Government Current Accounts of IDR2.32 trillion and General Current Accounts of IDR2.50 trillion.

Regional Government Current Accounts were current accounts belonging to level I and level II Regional Governments. Regional Government Current Accounts in 2021 reached IDR16.44 trillion, an increase of 16.49% compared to 2020 which amounted to IDR14.11 trillion. Likewise, General Demand Deposits increased by 36.03%, from IDR6.93 trillion in 2020 to IDR9.42 trillion in 2021.

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 loan 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).

2022 Current Account Strategy

The description of the current account strategy to be carried out in 2022 is as follows:

1. Optimization of Non-Cash Financial Services with Local Governments.
2. Supply Chain/Digital Ecosystem.
3. Cooperation with the East Java Provincial Education Office.
4. Cooperation in Financial Services with Hospitals in the East Java Region.
5. Cooperation with Schools, Universities, and Islamic Boarding Schools.
6. Exploring the potential of Private Current Account customers.
7. Implementation of cooperation with BPJS Ketenagakerjaan.
8. Implementation of cooperation with BPJS Kesehatan.
9. Implementation of cooperation with GoPay (PT Dompot Anak Bangsa).

Savings

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

Bank Jatim Savings productivity is described as follows:

Table of Tabungan Productivity

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Simpeda	16,010,311	15,148,485	861,826	5.38%
Siklus	4,702,025	4,047,704	654,321	13.92%
Tabungan Haji	20,942	22,838	(1,896)	(9.05%)
Tabunganku	3,469,603	3,015,202	454,401	13.10%
Tabungan Simpel	61,275	50,945	10,330	16.86%
Tabungan Sinyal	467	444	23	4.94%
Total	24,264,622	22,285,619	1,979,004	8.16%

Total Savings in 2021 reached IDR24.26 trillion, an increase of 8.16% compared to 2020 which reached IDR22.29 trillion. The increase came from the growth of Simpeda, Cycle, Tabunganku, Simpel and Signal Savings with a total of IDR1.98 trillion.

The description of savings performance is presented as follows:

- **Simpeda**
In 2021, the amount of Simpeda Savings Bank Jatim reached IDR16.01 trillion, an increase of IDR861.83 billion or 5.38% compared to 2020 which was IDR15.15 trillion. This was in line with the increase in the number of Simpeda Savings customers which also increased to 2,254,103 customers.
- **Siklus**
The amount of funds raised from Cycle Savings in 2021 was IDR4.70 trillion, an increase of IDR654.32 billion or 13.92% compared to 2020 of IDR4.05 trillion. The increase was in line with the number of Cycle Savings customers to 608,878 customers.
- **Tabungan Haji**
Total Hajj Savings in 2021 reached IDR20.94 billion, a decrease of IDR1.89 billion or 9.05% compared to 2020 of IDR22.84 billion. Furthermore, the number of Hajj Savings customers became 33,264 customers.
- **Tabunganku**
The amount of funds raised from my TabunganKu product in 2021 was IDR3.47 trillion, an increase of IDR454.40 billion or 13.10% compared to 2020 which was IDR3.02 trillion. The increase was in line with the number of customers for my TabunganKu product as many as 4,189,215 customers.
- **Simpanan Pelajar (Simpel)**
In 2021, Bank Jatim's Student Savings (SIMPEL) reached IDR61.28 billion, IDR10.33 billion or 16.86% higher than that of 2020 which was IDR50.95 billion. This was in line with the increase in the number of Student Savings Savings (SIMPEL) customers to 478,927 customers.
- **Fishermen Savings (Sinyal)**
In 2021, Bank Jatim's Fisherman Deposits (SINYAL) reached IDR467 million, an increase of IDR23 million or 4.94%

compared to 2020 of IDR279 million. Along with this increase, the number of Fisherman Savings Savings (SINYAL) customers also increased to 185 customers.

2021 Savings Strategy

The description of the strategy that had been carried out by Bank Jatim in 2021 related to 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).

2022 Savings Strategy

The description of the strategy that had been carried out by Bank Jatim in 2022 related to savings is presented as follows:

1. Optimization of Cooperation with PT ASABRI (Persero)
2. KEJAR (One Account One Student)
3. Optimization of Smart Practice
4. Cooperation with Schools, Universities, and Islamic Boarding Schools
5. Optimizing the implementation of QRIS
6. Event Promo Program
7. Simpeda Lottery and Cycle Lottery Program
8. Cooperation with NU Muslimat Branch Leaders
9. Implementation of Cooperation with Grab
10. Cooperation with the Social Service of East Java Province
11. Cooperation with the East Java Provincial Education Office

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).

Bank Jatim Deposits productivity is described as follows:

Table of Deposits Productivity

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Deposits	31,088,576	23,316,556	7,772,020	33.33%

Bank Jatim deposits could be used as loan collateral with competitive interest rates and could be negotiated. Time deposits in 2021 reached IDR31.09 trillion, an increase of 33.33% compared to 2020 which reached IDR23.32 trillion. Bank Jatim also succeeded in attracting 61,222 customers in 2020, growing by 3,700 customers or 5.33% from 58,122 customers.

2021 Time Deposit Strategy

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

2022 Time Deposit Strategy

The strategy for 2022 related to third party funds, namely deposits, was to implement cooperation with BPJS Employment and explore the potential of private deposit customers.

OTHER STRATEGY

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).

The Treasury Business segment of Bank Jatim consists of managing portfolio placement with Bank Indonesia, placements with other banks, securities and reverse repos. In 2021, the treasury business increased with a portfolio increase of 33.53% from IDR33.91 trillion in 2020 to IDR45.28 trillion in 2021. The entire portfolio consisted of placements with Bank Indonesia reaching IDR6.90 trillion, placements in Other banks reaching IDR1.89 trillion, securities ownership reaching IDR31.02 trillion, reverse repo claims reaching IDR3.42 trillion and loans to other banks reaching IDR2.056 trillion. Furthermore, the description of each portfolio is as follows:

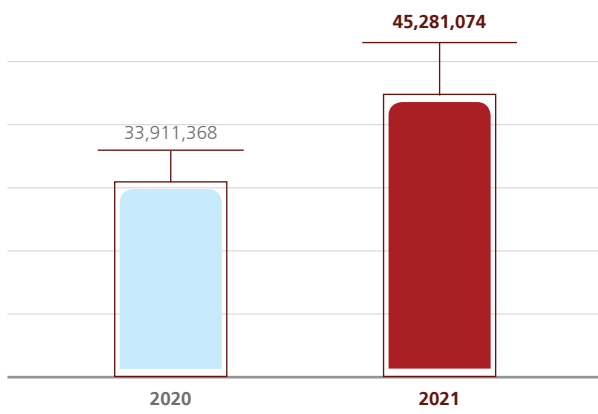
Table of Treasury Productivity

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Placement with Bank Indonesia	6,900,000	4,149,758	2,750,242	66.27%
Placement with Other Bank	1,889,000	2,328,500	(439,500)	(18.87)%
Securities	31,016,389	13,362,496	17,653,893	132.12%
Reverse Repo Receivables	3,420,685	12,560,614	(9,139,929)	(72.77)%
Repo Receivables	-	-	-	-
Loans With Other Bank	2,055,000	1,510,000,00	545,000	36.09%
Total	45,281,074	33,911,368	11,369,706	33.53%

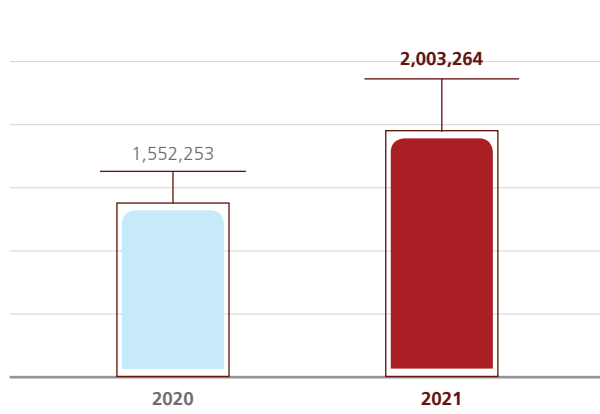
Graph of Treasury Productivity

(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 2021 when compared to 2020. Changes in portfolio composition by increasing the composition in ownership of Securities succeeded in providing greater investment returns on 2021. Furthermore, the details of interest income from the treasury business are as follows:

Table of Treasury Interest Income

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Placement with Bank Indonesia	131,523	103,645	27,878	26.90%
Placement with Other Bank	72,370	159,885	(87,515)	(54.74)%
Securities	1,420,594	753,343	667,251	88.57%
Reverse Repo Receivables	378,777	535,380	(156,603)	(29.25)%
Total	2,003,264	1,552,253	451,011	29.06%

2021 Treasury Strategy

Throughout 2021, Bank Indonesia lowered the BI 7-Day Reverse Repo Rate (BI7DRR) by 25 bps from 3.75% to 3.50% in January 2021 and subsequently maintained at 3.50% until the end of 2021. COVID-19 still became a determining factor that affected the liquidity conditions of Indonesian banks during 2021. This made Bank Jatim's liquidity condition during 2021 considered still quite ample, apart from the growth in deposits which was also due to loan and financing growth that had not been maximized. 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 2021 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 2021. 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 2021.

Another strategy in optimizing income from idle funds was to increase the share of securities purchases on the capital market in 2021. The Securities Portfolio as of 31 December 2021 experienced a very significant increase, growing by 132.12% from IDR13.36 trillion in 2020 to IDR31.02 trillion in 2021. 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 88.57% from IDR753.34 billion in 2020 to IDR1.42 trillion in 2021.

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 2021. Realization of primary GWM in Rupiah on average on 2021 was 3.01% above the Bank Indonesia regulation of 3%. Meanwhile, the average foreign exchange reserve requirement on December 31, 2021 was 7.48%, above the Bank Indonesia regulation of 4%.

Throughout 2021, the downward trend in the benchmark interest rate by Bank Indonesia could still be anticipated by Bank Jatim quite well. During 2021, the Treasury Division as a whole posted a total interest income of IDR2,003 billion, growing 29.06% from 2020 of IDR1,552 billion. This income was also added by fee-based income from foreign exchange and trade finance transactions of IDR5.4 billion, bringing the total revenue recorded by the Treasury to IDR2,008 billion.

Treasury Business Prospects and Strategies In 2022

In 2022, 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 existing marketable securities portfolio. In addition, in order to support the optimization of idle funds and increase non-loan 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. In addition, the Treasury Division currently developed the Jatim Investasi application (jconnect invest) as the development of the Bank Jatim e-channel platform intended to make it easier for Bank Jatim customers in particular to be able to transact various investment products (bonds and mutual funds). It was expected that this application could increase fee-based income and expand the market share of Bank Jatim.

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 (corporate bonds, medium term notes, negotiable certificates of deposit, sukuk, etc.) in script or scriptless form
2. Settlement of sale-purchase transactions of Securities

3. Management of customer's rights over ownership of securities held so that the rights are effective in the customer's account (corporate action)
4. Proxy at the General Meeting of Shareholders and General Meeting of Bondholders
5. Sub-Registry to serve investors conducting Securities transactions and investments
6. Submission of reports and information related to securities and/or valuable documents belonging to customers, which are stored and administered by Bank Jatim Custodian.

Bank Jatim Custodian productivity is described as follows:

Tabel Produktivitas Bank Jatim Kustodian

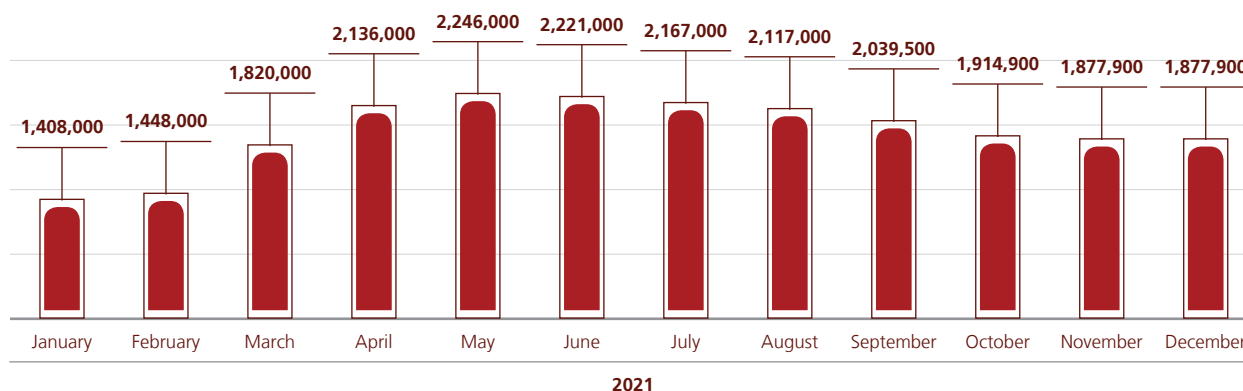
(in IDR million)

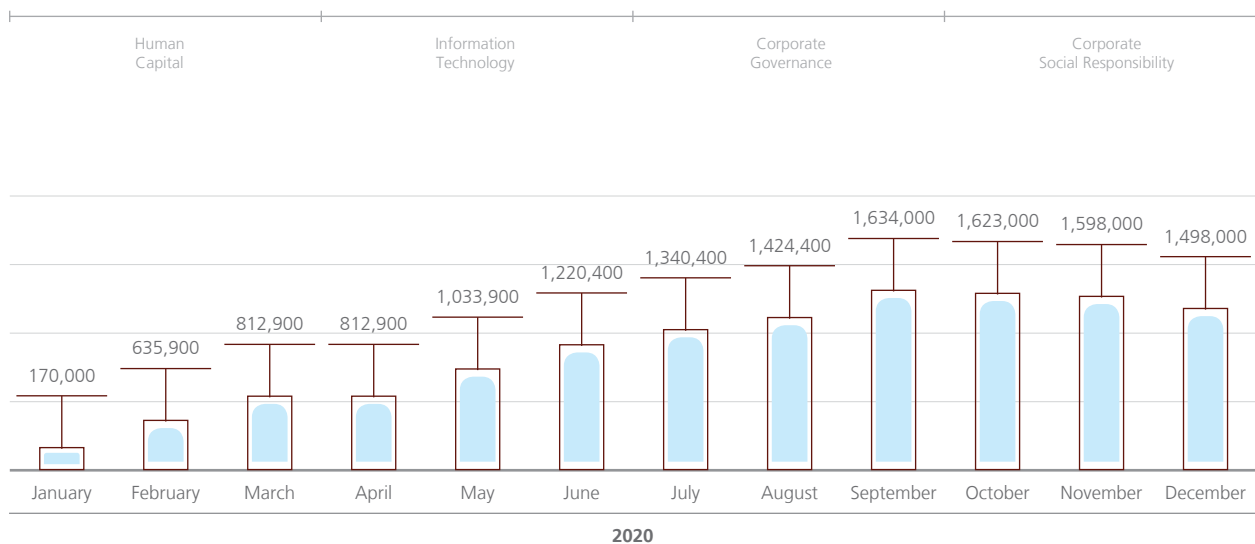
Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Asset Under Custody				
January	1,408,000	170,000	1,407,830	8.28
February	1,383,000	635,900	747,100	1.17
March	1,820,000	812,900	1,811,871	2.23
April	2,136,000	812,900	2,127,871	2.62
May	2,246,000	1,033,900	1,212,100	1.17
June	2,211,000	1,220,400	990,600	0.81
July	2,117,000	1,340,400	776,600	0.58
August	2,117,000	1,424,400	692,600	0.49
September	2,039,500	1,634,000	405,500	0.25
October	1,914,900	1,623,000	291,900	0.18
November	1,877,900	1,598,000	279,900	0.18
December	1,877,900	1,498,000	379,900	0.25
Mature effect	614,100	146,000	5,995	0.04

Total assets under custody in 2021 reached IDR1.88 trillion, an increase of 25% compared to 2020 which reached IDR1.49 trillion.

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 2021 reached IDR794,682,222.22.

2021 Bank Jatim Custodian Strategy

The strategies that had been carried out by the Custodian Bank Jatim throughout 2021 are presented 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.

Business Prospect in 2021 of Bank Jatim Custodian

As the only custodian bank outside Jakarta, the business prospects of Bank Jatim Custodian include:

1. Pension Fund Foundation in East Java.
2. District and City Financial and Asset Management Agency (BPKAD) in East Java.
3. BUMD (Regional-Owned Enterprises) and private companies in East Java.
4. Other Regional Development Banks (BPD).

2021 Bank Jatim Custodian Strategy

The strategy that will be carried out by the custodian Bank Jatim in 2022 is described as follows:

1. Collaborating with Custodian Services with the Pension Fund Foundation in the East Java region.
2. Cooperating with Custodian Services with BUMD and private companies in the East Java region.
3. Cooperating with Custodian Services with the Regency and City Financial and Asset Management Agency (BPKAD) in the East Java region.
4. Market custodian services to fellow Regional Development Banks (BPD) with more competitive storage costs.

Conventional Segment Income and Profitability

Conventional segment operating income in 2021 reached IDR5,292,316, an increase of 23.39% compared to the previous year which reached IDR4,289,240 million. The increase came from an increase in Interest Income.

Conventional segment operating profit in 2021 reached IDR1,777,161 million, an increase of 18.12% compared to the previous year which reached IDR1,504,486 million. The increase came from a decrease in the formation of CKPN Loans.

Table of Conventional Segment Income and Profitability

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Asset	96,886,535	80,550,394	16,336,141	20.28%
Liabilities	85,990,340	70,556,651	15,433,689	21.87%
Operating income	5,292,316	4,289,240	1,003,076	23.39%
Operational profit	1,777,161	1,504,486	272,675	18.12%

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, 2 (two) Cash Offices, 8 (eight) Sharia Payment Points, 195 Sharia Service Offices (KLS), 25 ATM Machines, 7 CRM ATM Machine and 7 Mobile Cash Cars

Sharia Segment Explanation and Productivity

FUNDING

Sharia third party funds consist of iB Barokah Current Account, TabunganKu iB, Simpel iB Savings, Umroh iB Amanah Savings, Barokah Savings, Haji iB Amanah Savings, Barokah Sejahtera Savings, iB Barokah Savings Plan, iB Barokah Pension Savings and Barokah Deposit. An explanation of each Sharia Funding product has been presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

The description amount of Sharia Funding Segment is presented as follows:

Table of Total Funding

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
iB Barokah Current Account	113,536	89,745	23,791	26.51%
TabunganKu iB	52,767	45,485	7,282	16.01%
Simpel iB Savings	5,076	5,439	(364)	(6.69%)
Umroh iB Amanah Savings	4,153	3,882	271	6.98%
Barokah Savings	293,916	261,496	32,419	12.40%
Haji iB Amanah Savings	275,510	263,577	11,934	4.53%
Barokah Sejahtera Savings	1,522	7,791	(6,269)	(80.47%)
iB Barokah Savings Plan	1,190	983	208	21.14%
iB Barokah Pension Savings	20	26	(6)	(22.34%)
Barokah Deposit	1,238,104	1,148,012	90,093	7.85%
Total	1,985,795	1,826,436	159,359	8.73%

Realization of funding in 2021 reached IDR1.98 trillion, an increase of IDR159.36 billion or 8.73% compared to 2020 of IDR1.82 trillion. Meanwhile, CASA funds increased by IDR747 billion or 10.21% compared to 2020 of IDR678 billion.

Based on the composition, iB Barokah Current Account experienced the largest increase, namely 26.51% or IDR23.79 billion, while other funding products that experienced an increase were TabunganKu iB which increased by IDR7.28 billion or 16.01%, Umroh iB Amanah Savings by IDR271 million or 6.98%, Barokah Savings of IDR32.41 billion or 12.40%, iB Amanah Haji

Savings of IDR11.93 billion or 4.53%, iB Barokah Savings Plans of IDR208 million or 21.14% and Barokah Time Deposits amounting to IDR90.09 billion or 7.85%.

Meanwhile, the funding products that experienced a decline were the Simpel iB Savings of IDR364 million or 6.69%, the Barokah Sejahtera Savings of IDR6.26 billion or 80.47% because in 2020 it was opened for 2 (two) periods while in 2021 it was opened 1 (two) periods. one) period, and customers preferred time deposit products for time investment and a decrease in iB Barokah Pension Savings by IDR6 million or 22.34%.

The description amount of Sharia Funding Segment customers is presented as follows:

Table of Funding Customers

(in number of customer)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
iB Barokah Current Account	1,332	1,215	117	9.63%
TabunganKu iB	32,841	31,858	983	3.09%
Simpel iB Savings	33,563	21,031	12,532	59.59%

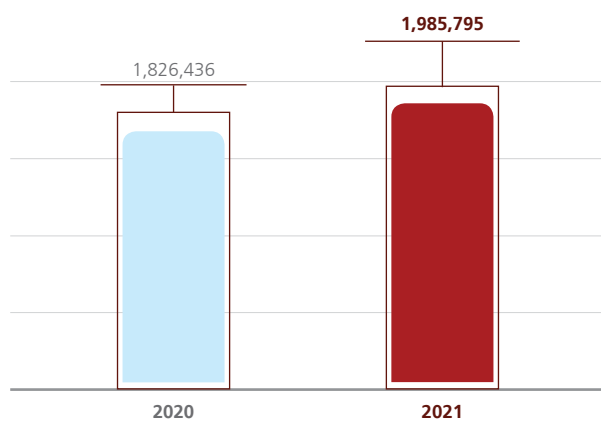
Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Umroh iB Amanah Savings	1,547	1.434	113	7.88%
Barokah Savings	42,190	38,218	3,972	10.39%
Haji iB Amanah Savings	124,674	121,462	3,212	2.64%
Barokah Sejahtera Savings	15	36	(21)	(58.33%)
iB Barokah Savings Plan	257	360	(103)	(28.61%)
iB Barokah Pension Savings	8	2	6	300.00%
Barokah Deposit	2,768	2,719	49	1.80%
Total	239,195	218,335	20,860	9.55%

The growth in the number of funding was followed by an increase in the number of customers. As of December 31, 2021 the number of funding customers for UUS Bank Jatim recorded a growth from as many as 218,335 customers in 2020 to 239,195 customers in 2021, an increase of 20,860 customers or 9.55% compared to 2020.

The growth in the number of customers in 2021 was due to an increase in the number of iB Barokah Current Account customers by 9.63%, iB Savings Accounts by 3.09%, Simpel iB Savings by 59.59%, iB Amanah Umrah Savings by 7.88%, Barokah Savings by 10.39%, iB Amanah Haji Savings 2.64%, iB Barokah Pension Savings 300.00% and Barokah Deposits 1.80%.

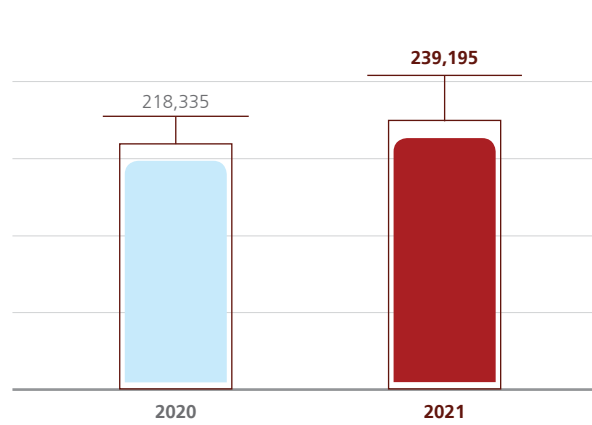
Graph of Growth in the Number of Sharia Funding

(in IDR million)



Graph of Growth in the Number of Sharia Funding

(in total customer)



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

- Amanah Current Account**
 Compared to 2020, iB Barokah Current Account grew by IDR23.79 billion or 26.51% from IDR89.74 billion to IDR113.53 billion in 2021. In terms of the number of customers, it grew by 117 customers or 9.63% from 1,215 customers to 1,332 customers in 2021.
- Barokah Savings**
 Compared to 2020, Savings Barokah grew by IDR32.41 billion or 12.40% from IDR261.49 billion to IDR293.91 billion in 2021. In terms of the number of customers, it grew by 3,972 customers or 10.39% from 38,218 customers to 42,190 customers in 2021.
- Haji iB Amanah Savings**
 Compared to 2020, iB Amanah Hajj Savings grew by IDR11.93 billion or 4.53% from IDR263.57 billion to IDR275.51 billion in 2021. In terms of the number of customers, it grew by 3,212 customers or 2.64% from 121,462 customers to 124,674 customers in 2021.
- Tabunganku iB**
 Compared to 2020, TabunganKu iB grew by IDR7.28 billion or 16.01% from IDR45.48 billion to IDR52.76 billion in 2021. In terms of the number of customers, it grew by 983 customers or 3.09% from 31,858 customers to 32,841 customers in 2021.
- Simpel iB Savings**
 Compared to 2020, Simpel iB Savings decreased by IDR364 million or 6.69% from IDR5.43 billion to IDR5.07 billion in 2021. In terms of the number of customers, it grew by 12,532 customers or 59.59% from 21,031 customers to 33,563 customers in 2021.
- Barokah Sejahtera Savings**
 Compared to 2020, Savings Barokah Sejahtera decreased by IDR6.26 billion or 80.47% from IDR7.79 billion to IDR1.19 billion in 2021. In terms of the number of customers, it decreased by 21 customers or 58.33% from 36 customers to 15 customers in 2021.

- **Umroh iB Amanah Savings**

Compared to 2020, iB Amanah Umrah Savings grew by IDR271 million or 6.98% from IDR3.88 billion to IDR4.15 billion in 2021. In terms of number of customers, it grew by 113 customers or 7.88% from 1,434 customers to 1,547 customers in 2021.

- **iB Barokah Savings Plan**

Compared to 2020, the iB Barokah Savings Plan grew by IDR208 million or 21.14% from IDR983 million to IDR1.19 billion in 2021. In terms of the number of customers, it decreased by 103 customers or 28.61% from 360 customers to 257 customers in 2021.

- **iB Barokah Pension Savings**

Compared to 2020, the iB Barokah Pension Savings decreased by IDR6 million or 22.34% from IDR26 million to IDR20 million in 2021. In terms of the number of customers, it grew by 6 customers or 300% from 2 customers to 8 customers in 2021.

- **Barokah Deposits**

Compared to 2020, Barokah Time Deposits grew by IDR90.09 billion or 7.85% from IDR1.15 trillion to IDR1.23 trillion in 2021. In terms of the number of customers, it grew by 49 customers or 1.80% from 2,719 customers to 2,768 customers in 2021.

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 Mabruur. 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.

The description amount of Sharia Financing is presented as follows:

Table of Amount Sharia Financing

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Consumer				
Mortgage	22,359	21,454	905	4.22%
House Ownership Loan (KPR)	704,325	612,137	92,187	15.06%
General KPR	290,026	307,836	(17,810)	(5.79%)
Housing Finance Liquidity Facility (FLPP)	414,299	304,302	109,997	36.15%
Employee Financing	152,692	151,712	981	0.65%
Multipurpose	67,100	68,413	(1,313)	(1.92%)
Gold Ownership (KLE)	0	0	0	0%
Umroh Bailout Loan	18	54	(36)	(66.51%)
Haji Bailout Loan	113	135	(23)	(16.67%)
Sub-Total Consumer	946,607	853,905	92,701	10.86%
Linkage	43,196	136,177	(92,981)	(68.28%)
a. Cooperative Financing (PKOP)/Cooperative Financing for Members (PKPA)	33,213	92,109	(58,896)	(63.94%)
b. Sharia Rural Bank (BPRS)	9,984	44,069	(34,085)	(77.35%)
General	710,282	574,568	135,714	23.62%
a. Investment	458,175	470,403	(12,228)	(2.6%)
b. Working Capital	249,606	101,164	148,442	146.73%
c. Factoring	2,500	3,000	(500)	(16.67%)
Keppres	62,283	42,709	19,574	45.83%
Sub-Total Medium Corporations	815,761	753,454	62,307	8.27%
Total	1,762,368	1,607,359	155,009	9.64%

Total financing in 2021 was realized at IDR1.76 trillion, an increase of IDR155.01 billion or 9.64% compared to 2020 of IDR1.61 trillion consisting of Pawning Gold iB Barokah, KPR iB Griya Barokah, KPR Sejahtera, Multiguna Syariah, Gold Metal Ownership (KLE), Haji Al Mabruur bailout, iB Maqbulah Umrah, Linkage Program Financing, General Financing, KEPPRES Financing, and Sharia Factoring. The increase was due to an increase in several financing schemes, including general working capital financing of IDR148.44 billion or 146.73% and KPR Sejahtera Financing of IDR110 billion or 36.15%.

The composition of financing in 2021 was the largest contribution to working capital financing in which Bank Jatim Syariah participated in financing the working capital syndicate PT Permodalan Nasional Madani (PT PNM), and the distribution of financing was to help MSME businesses. The increase in working capital financing for Syndicated financing was 146.73% with an increase in outstanding financing reaching 148.44 billion. The second largest financing was the Presidential Decree, which increased by 45.83% with an increase in outstanding of IDR19.58 billion. The third largest contribution was KPR Financing by 15.06%, in which in 2021 there was KPR Sejahtera Financing (FLPP) which still became the main focus of financing distribution to MBR because Bank Jatim UUS participated in supporting the Government's program in the distribution of subsidized housing

finance, which in 2021 the achievement was very satisfying. The increase in outstanding KPR Sejahtera (FLPP) obtained in 2021 reaching IDR110 billion with a percentage increase of 36.15% from 2021, while the composition of KPR Sejahtera to the total outstanding KPR was 58.82%.

The growth in the number of financing was followed by an increase in the number of customers, until December 31, 2021 the number of Bank Jatim customers was recorded at 8,099 customers, an increase of 575 customers or 7.64% compared to 2020 as many as 7,524 customers. The increase in the number of customers in 2021 was due to the existence of KPR Sejahtera financing products of 934 customers.

The description amount of Sharia Financing customers is presented as follows:

Table of Number of Sharia Financing Customers

(in total customer)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Consumer				
Mortgage	1,214	1,214	0	0%
House Ownership Loan (KPR)	4,879	4,004	875	21.85%
General KPR	1,431	1,490	(59)	(3.96%)
Housing Finance Liquidity Facility (FLPP)	3,448	2,514	934	37.15%
Employee Financing	358	282	76	26.95%
Multipurpose	931	951	(20)	(2.10%)
Gold Ownership (KLE)	0	0	0	0%
Umroh Bailout Loan	2	3	(1)	(33.33%)
Hajj Bailout Loan	5	6	(1)	(16.67%)
Sub-Total Consumer	7,389	6,460	924	14.38%
Linkage	212	489	(277)	(56.65%)
a. Cooperative Financing (PKOP)/Cooperative Financing for Members (PKPA)	207	477	(270)	(56.60%)
b. Sharia Rural Bank (BPRS)	5	12	(7)	(58.33%)
General				
Investment	452	545	(93)	(17.06)
a. Working Capital	174	182	(8)	(4.4%)
b. Factoring	277	361	(84)	(23.27%)
Factoring	1	2	(1)	(50%)
Keppres	1	2	(1)	(50%)
Sub-Total Medium Corporations	0	0	0	0%
Total	8,099	7,524	575	7.64%

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

1. **Consumer Segment**

a. **Gold iB Barokah**

During 2021, there was an increase in financing distribution through Gold iB Barokah reaching IDR905 million or 4.22% from IDR21.45 billion in 2020 to IDR22.36 billion in 2021. However, this increase was not accompanied by an increase in the number of customers, because the number of permanent customers was 1,214 customers in 2021.

b. **KPR iB Griya Barokah**

During 2021, there was a decrease in KPR iB Griya Barokah by IDR17.81 billion or 5.79% from IDR307.84 billion in 2020 to IDR290.03 billion in 2021. This decrease was also accompanied by a decrease in the number of customers by 59 customers or 3.96% to 1,431 customers in 2021.

c. **KPR Sejahtera**

During 2021, KPR Sejahtera recorded a significant growth of IDR110 billion or 36.15% from IDR304.30 billion in 2020 to IDR414.30 billion in 2021. This growth was also accompanied by a growth in the number of customers of 934 customers or 37.15% to 3,448 customers in 2021.

d. **Multipurpose iB Barokah**

During 2021, Bank Jatim UUS recorded a decrease in the distribution of Sharia Multipurpose financing to reach IDR1.31 billion or 1.92% from IDR68.41 billion in 2020 to IDR67.10 billion in 2021. This decline was also accompanied by a decrease in the number of 20 customers or 2.10% from 951 customers to 931 customers in 2021.

e. **Gold Ownership iB Barokah**

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

f. **Umroh iB Maqbullah**

During 2021, there was no distribution of iB Maqbullah Umrah products, it was noted that only funding in 2020 was IDR54 million to IDR18 million in 2021

g. **Al Mabruh Hajj Bailout Loan**

During 2020, there was no distribution of Al Mabruh Hajj Bailout Loan 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 reached IDR92.98 billion or 68.28% from IDR136.18 billion in 2020 to IDR43.20 billion in 2021. This decline was also accompanied by a decrease in the number of customers by 277 customers or 56.65% from 489 customers to as many as IDR212 customers in 2021.

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 2021, UUS Bank Jatim has recorded a growth in general financing of IDR135.71 billion or 23.62% from IDR574.57 billion in 2020 to IDR710.28 billion in 2021. However, this growth was not accompanied by a growth in the number of customers, the number of general financing customers decreased by 93 customers or 17.06% to 452 customers in 2021.

b. **Keppred Working Capital Financing**

During 2021, Bank Jatim UUS experienced an increase in the distribution of Presidential Working Capital Financing reached IDR19.57 billion or 45.83% from IDR42.71 billion in 2020 to IDR62.28 billion in 2021. This increase was also accompanied by an increase in the number of customers, the number of customers of the Presidential Decree Working Capital Financing increased by 16 customers or 53.33% to 46 customers in 2021.

OTHER SERVICES – SHARIA

Other Services – Sharia in the form of Sharia Treasury Services which include Sharia Bank Indonesia Deposit Facilities (FASBIS), Bank Indonesia Sukuk Interbank Deposits (SukBI), Sharia Interbank Mudharabah Investment Certificates (SIMA), Money Market Mutual Funds (RDSPU), Sharia Participation Mutual Funds Limited Liability Securities (RDSPT) and State Sharia Securities (SBSN).

The description of Sharia Treasury productivity is presented as follows:

Table of Sharia Treasury Productivity

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Bank Indonesia Syariah Deposit Facility (FASBIS)	1,127,000	378,400	748,600	197.83%
Interbank Deposits	3,000	17,000	(14,000)	(82.35%)
Bank Indonesia Sukuk (SukBI)	541,392	317,412	223,980	70.56%
Sharia Interbank Mudharabah Investment Certificate (SIMA)	139,000	315,000	(176,000)	(55.87%)
Money Market Mutual Funds (RDSPU)	0	200,000	(200,000)	(100.00%)
Limited Participation Sharia Mutual Funds (RDSPT)	44,000	39,000	5,000	12.82%
State Sharia Securities (SBSN)	110,360	112,187	(1,827)	(1.63%)
Total	1,964,752	1,378,999	585,753	42.48%

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 2021, the UUS Bank Jatim Fasbis was recorded at 1.13 trillion, an increase of IDR748.60 billion or 197.83% from December 2020.

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 2021, 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 2021, the Bank Jatim Syariah Business Unit SUKBI was recorded at IDR541.39 billion, which was an increase of IDR223.98 billion compared to December 2020.

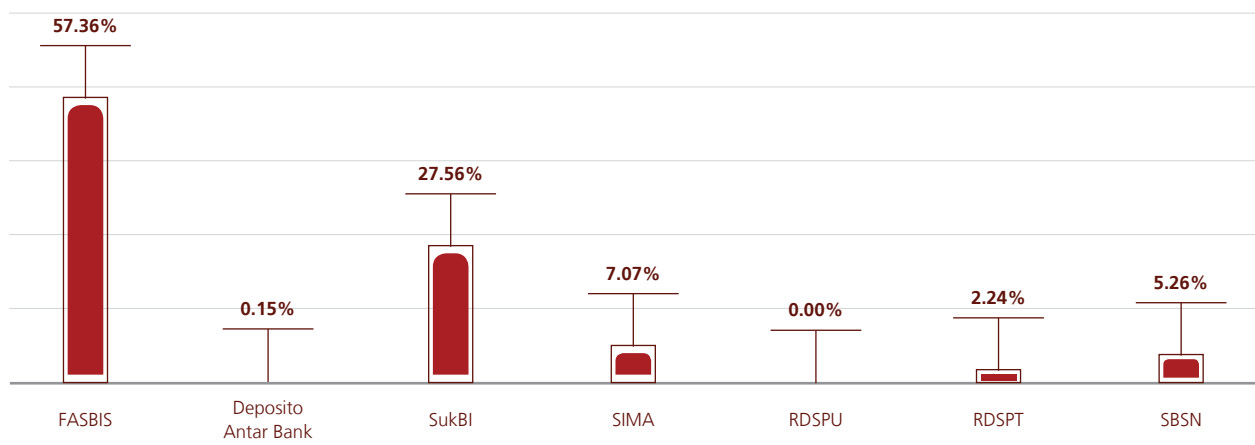
Sertifikat Investasi Mudharabah Antar Bank or Interbank Mudharabah Investment Certificate (SIMA) is a certificate issued by a sharia commercial bank or sharia business unit and used as a short-term investment facility in PUAS with Akad mudharabah. The position of the placement of SIMA for the Sharia Business Unit of Bank Jatim as of December 31, 2021 reached IDR139.00 billion, a decrease of IDR176.00 billion or 55.87% compared to December 2020. This was due to the preference for idle fund placement activities managed by the Bank Jatim Business Unit to switch to Bank Indonesia Sukuk instruments with consideration of higher profit sharing received.

Limited Participation Sharia Mutual Fund Certificates (RDSPT) owned by the Bank Jatim Sharia Business Unit in December 2021 reached a total of IDR44.00 billion. The nominal portfolio was increase of 12.82% compare to December 2020.

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 2021, the types of SBSN

The increase in Treasury managed funds (YoY) for the Sharia Business Unit of Bank Jatim was due to in December 2021 Bank Jatim UUS issued SIMA Securities with an outstanding amount of IDR846.00 billion with a tenor of 3 (ten) days and 7 (seven) days. Therefore, to maintain short-term liquidity risk, these funds were also placed in short-term investment instruments.

Graph of Sharia Idle Treasury Managed Fund Composition



The 3 (three) largest compositions were 57.36% placements in FASBIS with a portfolio of IDR1.13 trillion, 27.56% in Bank Indonesia Sukuk investments with a portfolio of IDR541.39 billion, and 7.07% SIMA with a portfolio of IDR139.00 billion.

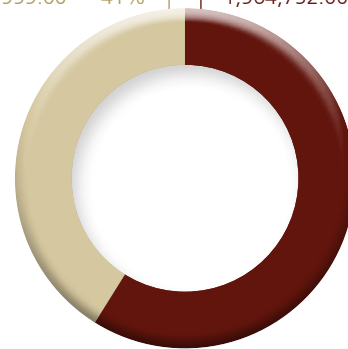
owned by the Bank Jatim Sharia Business Unit were Retail Sukuk with an ijarah agreement to be leased and a project based sukuk with an ijarah to be leased contract. Overall, the SBSN owned by the Bank Jatim Sharia Business Unit decreased by IDR1.83 billion or 1.63% from IDR112.19 billion in 2020 to IDR110.36 billion. The decrease was due to the amortization of premium and discount on securities.

Overall in December 2021, Treasury funds managed by the Sharia Business Unit of Bank Jatim reached IDR1.96 trillion, an increase of 42.48% from December 2020. Of these achievements, 92.14% were short-term placements, and only 7, 86% were long term placements.

Diagram of Sharia Idle Treasury Managed Fund Portfolio

(in IDR million)

1,378,999.00 – 41% 1,964,752.00 – 59%



■ December 2020 ■ December 2021

Issued Securities

The 2020 Mudharabah Investment Certificate of Bank Jatim Sharia Business Units in the amount of IDR846,000 million became securities issued by the Bank on December 28 and 31, 2021.

The description of the Inter-Bank Mudharabah Investment Certificate for the Sharia Business Unit of Bank Jatim is presented as follows:

Table of Inter-Bank Mudharabah Investment Certificate Sharia Business Unit of Bank Jatim

(in IDR million)

Description	2021	2020
(1)	(2)	(3)
Inter-Bank Mudharabah Investment Certificate	846,000	350,000
Number of Securities issued	846,000	350,000

Terms and Conditions:

- The amount of remuneration for the Inter-Bank Mudharabah Investment Certificate was calculated based on the multiplication between the realization rate of the Inter-Bank Mudharabah Investment Certificate in the Sharia Business Unit of Bank Jatim and the nominal value of the Certificate Recipient Bank's investment according to the investment period.
- The sharing income or benefit was obtained from the income of the bank's Rupiah financing portfolio (blended) worth 4 (four) times the Interbank Mudharabah Investment Certificate Fund Issued in Rupiah currency owned by the Issuer where the principle of profit sharing was using the non profit sharing method.
- Term with tenors of 3 (three) and 7 (seven) days.
- The ratio given to Certificate Holder Banks was 34.76% (tenor 3 (three) days) and 43.45% (tenor 7 (seven) days), in which the profit sharing ratio was obtained from the calculation of expected return (ER) given compared to the margin of the underlying transaction. The profit sharing was paid at maturity, and the underlying transaction was Securities, namely SBSN and Bank Indonesia Securities, as well as financing for current positions.
- The given Expected Return (E.R) referred to market information on Bloomberg and the Jakarta Interbank Offered Rate (JIBOR).

This Inter-Bank Mudharabah Investment Certificate was not guaranteed by special guarantees and was not guaranteed by third parties neither guaranteed by the Republic of Indonesia and not included in the Bank Guarantee Program conducted by the Deposit Insurance Corporation.

During the validity period of the 2021 Interbank Mudharabah Investment Certificate, Bank Jatim Sharia Business Units and prior to payment of all principal and profit sharing, the Bank was obliged to: (i) maintain a CAR (Capital Adequacy ratio) ratio of not less than 12% (twelve percent); (ii) maintain daily liquidity ratio; (iii) not transfer to another bank until the expiration of the term or the Interbank Mudharabah Investment Certificate could only be transferred once.

The National Sharia Council – Indonesian Ulema Council (DSN – MUI) issued the National Sharia Council Fatwa Number 38/ DSN-MUI/X/2002 dated October 23, 2002 concerning Interbank Mudharabah Investment Certificates.

2021 Sharia Segment Strategy

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

Funding Strategy

Strategi *funding* Segmen Syariah yaitu diuraikan sebagai berikut. The Sharia Segment funding strategy was described as follows.

- Collaboration with the Indonesian Waqf Board for Cash Waqf literacy
- Integrated Digital Card Application Implementation
- Collaboration with LP Ma'arif Nu for education money management
- Cooperation with LazisNu East Java for Ziswaf rekening accounts
- Implementation of the Santri Card at Ponpes OPOP East Java Members
- Implementation of the Bank Jatim Virtual Account service on the E-Maal Ponpes Sidogiri application

Financing Strategy

- 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.
- 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
- Providing training on Sharia product knowledge to conventional employees as a step in implementing the Dual Banking Leverage Model (DBLM) program.
- Synergizing with Conventional East Java Bank through multipurpose financing products, especially for retirees.
- Strengthening the functions of the three pillars (business, risk and operational) in the distribution of financing including the discipline of monitoring watchlist customers
- Continuing to collaborate with Government agencies in accepted financing schemes (FLPP, SMF, and others).

2022 Prospect and Strategy of Sharia Segment

The prospect and funding strategy for the sharia segment financing that will be carried out in 2022 is presented as follows:

Funding Prospect and Strategy

1. Spreading Blessing Program Period 3
Giving gifts to customers with a point redeem system where customers to get points were customers with an average balance at the end of the month of 1 (one) million rupiah. Meanwhile, those who had the right to redeem points were customers earning 500 points.
2. Hajj Barokah Program Batch 4
The provision of special souvenirs in the form of prayer equipments and others for customers who registered for the initial Hajj deposit in both sharia and conventional branches. They were expected to increase the NOA and TPF of the iB Amanah Hajj Savings considering that during the Pandemic period there was a decline in customers who registered for the Hajj portion.
3. Rewards for Sharia Service Offices (KLS) with the most iB Amanah Hajj Savings
Giving rewards to KLS with the highest number of iB Barokah Hajj Savings; they were expected to increase the number of NoA and Nominal Deposits for iB Amanah Hajj Savings.
4. Barokah Sejahtera Savings Program (TBS) Batch 6
The TBS Batch 6 program became a program to increase TPF customers, especially CASA in which customers were able to receive prizes directly by depositing their balances for a certain period of time.
5. Recall Dormant/Inactive Customers (Deposits, Savings, Current Accounts)
Additional activities for marketing officers to contact customers who were no longer active in transactions but still had balances became an effort by Bank Jatim Syariah to increase the balance of TPF. This was easier to do because dormant customers were already familiar with Bank Jatim Syariah, so it was hoped that this activity could generate customer interest in using Bank Jatim Syariah products and services.
6. Regular webinars
Webinars were held regularly with partners of Bank Jatim Syariah with a different theme every month which was expected to increase public awareness of the position of Bank Jatim Syariah in East Java and the products and services owned by Bank Jatim Syariah.
7. Gathering with Partners and Customers on a regular basis
Gatherings were held regularly with partners and customers of Bank Jatim Syariah as an effort to maintain service to customers so that it could increase the number of customer transactions at Bank Jatim Syariah.

8. Cooperation with the Islamic Finance Ecosystem
Enhanced Cooperation that had been running with the Sharia Financial Ecosystem such as: OPOP East Java, Indonesian Mosque Council (DMI), LazisNu, LazisMu, LP-Maarif, Halal Value Chain, Halal Industrial Park Sidoarjo.
9. Provision of Cashcading to Sharia Branches Database of Prospective Customers
Providing Cashcading to Sharia Branches was in the form of a database of prospective customers/communities that collaborated with Bank Jatim Syariah to make a monthly agenda.
10. Increasing Sharia Brand Awareness
Cooperation with Islamic-based institutions for the distribution of waqf benefits or assistance to communities affected by natural disasters in the East Java region, distribution of social assistance for the poor, educational assistance for orphaned students, and other assistance that was beneficial to the community.

Financing Prospect and Strategy

Strategic financing steps which are a priority agenda to be taken in the 2022 period include:

1. Distribution of financing to MSMEs either through Sharia KUR financing or through Financial Institutions that provide financing to MSMEs (PT PNM and others).
2. Distribution of KPR iB Barokah financing, both Commercial KPR and Sejahtera KPR in collaboration with BP Tapera or SMF.
3. Supporting infrastructure development programs through the distribution of syndicated financing.
4. Supporting the development of Halal Industrial Estates through distribution of financing for the purchase of Warehouses in Halal Industrial Estates.
5. Supporting the One Pesantren One Product program with cooperation in financial services, technology and financing distribution.
6. Cooperation in financing distribution with technology/fintech-based financial institutions.
7. Synergy with conventional Bank Jatim to channel financing through the Sharia Service Office.
8. Increasing cooperation with existing customers through the distribution of working capital financing to the press and BPRS/Cooperative linkage.
9. Increasing the distribution of Pawn financing for iB Barokah by adding pawning forecast and opening pawn services at potential branch offices.
10. Increasing the distribution of financing to Islamic religious institutions (NU, Muhammadiyah, Hidayatullah, and others).

Sharia Segment Income and Profitability

Sharia segment operating income in 2021 amounted to IDR191,722 million, an increase of 3.63% compared to the previous year which reached IDR185,015 million. The increase came from the Increase in Interest Income.

The operating profit of the sharia segment in 2021 was IDR13,939 million, an increase of 27.82% compared to the previous year which was IDR10,905 million. The increase came from a decrease in the formation of CKPN Loans.

Table of Sharia Segment Income and Profitability

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Asset	3,836,795	3,069,058	767,737	25.02%
Liabilities	3,822,446	3,057,854	764,592	25.00%

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Operating Income	191,722	185,015	6,707	3.63%
Operational Profit	13,939	10,905	3,034	27.82%

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

The operating income of the East Java geographic segment in 2021 reached IDR4,645,401 million, an increase of 19.42% compared to the previous year which reached IDR4,474,255 million. The operating profit of the East Java geographical segment in 2021 reached IDR1,752,248 million, an increase of 19.51% compared to the previous year which reached IDR1,466,224 million. The increase came from a decrease in CKPN Loans.

Meanwhile, operating income for the Java other than East Java geographical segment in 2021 reached IDR838,637 million, an increase of 43.51% compared to the previous year which reached IDR584,377 million. The operating profit of the Java geographical segment other than East Java in 2021 reached IDR38,852 million, a decrease of 21.30% compared to the previous year which reached IDR49,167 million. The decrease came from loan CKPN.

Table of Geographic Segment Revenue and Profitability

(in IDR million)

Description	East Java	Java Apart from East Java	Elimination	Total
2021				
Asset	79,660,459	21,579,940	517,069	100,723,330
Liabilities	68,788,768	21,541,087	517,069	89,812,786
Operating Income	4,645,401	838,637	-	5,484,038
Operational Profit	1,752,248	38,852	-	1,791,100
2020				
Asset	69,135,750	15,012,223	528,521	83,619,452
Liabilities	59,179,968	14,963,057	528,521	73,614,504
Operating Income	3,889,878	584,377	-	4,474,255
Operational Profit	1,466,224	49,167	-	1,515,391
Growth 2020-2021 (%)				
Asset	15.22%	43.75%	(2.17%)	20.45%
Liabilities	16.24%	43.96%	(2.17%)	22.00%
Operating Income	19.42%	43.51%	-	22.57%
Operational Profit	19.51%	(20.98%)	-	18.19%

Financial Review

The financial review described below refers to the Financial Statements for the years ended December 31, 2021, and 2020 presented in this Annual Report. The Financial Statements have been audited by the Public Accounting Firm Kanaka Puradiredja, Suhartono and obtained an opinion that somewhat gives, in all material respects, the financial position of PT Bank Pembangunan Daerah Jawa Timur Tbk as of December 31, 2021, as well as financial performance and cash flows for the year ended on December 31, 2021. the date is by Indonesian Financial Accounting Standards.

Financial Performance

Bank Jatim's financial performance consisted of the performance of the Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income as well as the Cash Flow Statement as follows.

Financial Position Report

Table of Financial Position Report

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
ASSETS				
Cash	2,023,077	2,511,548	(488,471)	(19.45%)
Current accounts with Bank Indonesia	8,805,300	3,659,968	5,145,332	140.58%
Current accounts with other banks	211,681	237,715	(26,034)	(10.95%)
Allowance for impairment losses	(238)	(53)	(185)	349.06%
Current accounts with other banks . net	211,443	237,662	(26,219)	(11.03%)
Placements with Bank Indonesia and other banks	9,917,695	6,884,658	3,033,037	44.06%
Allowance for impairment losses	(1,763)	(795)	(968)	121.76%
Placements with Bank Indonesia and other bank. net	9,915,932	6,883,863	3,032,069	44.05%
Marketable securities	32,388,966	14,666,737	17,722,229	120.83%
Allowance for impairment losses	(5,943)	(8,118)	2,175	(26.79%)
Marketable securities . net	32,383,023	14,658,619	17,724,404	120.91%
Marketable securities sold under repurchase agreement	-	-	-	-
marketable securities purchased under resale agreement (reverse repo)	3,420,685	12,573,044	(9,152,359)	(72.79%)
Loans				
Related parties	182,889	285,595	(102,706)	(35.96%)
Third parties	42,566,670	41,195,171	1,371,499	3.33%
Total loans	42,749,559	41,480,766	1,268,793	3.06%
Allowance for impairment losses	(1,831,417)	(1,454,721)	(376,696)	25.89%
loans, net	40,918,142	40,026,045	892,097	2.23%
Accrued interest income	793,900	555,020	238,880	43.04%

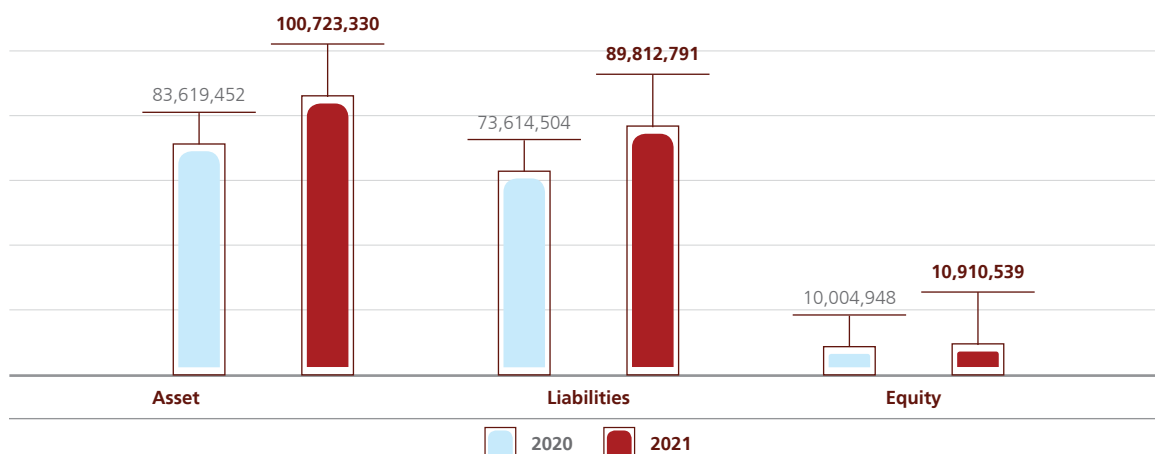
Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Prepaid expenses	134,200	227,932	(93,732)	(41.12%)
Fixed assets				
Cost	1,906,263	1,882,572	23,691	1.26%
Accumulated depreciation	(762,052)	(676,592)	(85,460)	12.63%
Net book value	1,144,211	1,205,980	(61,769)	(5.12%)
Deferred tax assets, net	627,211	591,676	35,535	6.01%
Tax receivables	412	65	347	533.85%
Other receivables	230,019	131,932	98,087	74.35%
Other assets, net	115,775	356,098	(240,323)	(67.49%)
Total Assets	100,723,330	83,619,452	17,103,878	20.45%
LIABILITIES AND EQUITY				
LIABILITIES				
Obligations due immediately	593,875	484,834	109,041	22.49%
Deposits from customers				
Related parties	17,722,756	14,375,132	3,347,624	23.29%
Third parties	65,479,111	54,093,148	11,385,963	21.05%
Total Deposits from customers	83,201,867	68,468,280	14,733,587	21.52%
Deposits from other bank				
Related parties	360,169	238,860	121,309	50.79%
Third parties	3,827,731	2,616,744	1,210,987	46.28%
Total Deposits from other bank	4,187,900	2,855,604	1,332,296	46.66%
liabilities of marketable securities sold under repurchase agreement	-	-		
Borrowings	655,288	631,355	23,933	3.79%
Taxes payable	165,476	93,135	72,341	77.67%
Accrued expenses	478,647	484,666	(6,019)	(1.24%)
Other liabilities	529,738	596,630	(66,892)	(11.21%)
TOTAL LIABILITIES	89,812,791	73,614,504	16,198,287	22.00%
EQUITY				
Share capital:				
Series A : IDR250 (full Rupiah) - (par value per share				
Series B : IDR250 (full Rupiah) - (par value per share				
Authorized:				
Series A: 24.000 shares				
Series B: 12.000 shares				
Issued and fully paid:				
Series A - 11.934.147.982 shares				
Series B - 3.081.350.100 shares (2020: 3.081.350.100 saham)	3,753,875	3,753,875	0	0.00%
Paid-in capital - net	532,734	532,734	0	0.00%
Revaluation surplus of fixed assets	749,717	754,382	(4,665)	(0.62%)
Remeasurement of defined employee benefit liability - net of deferred tax	(163,811)	(197,081)	33,270	(16.88%)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Unrealized gain financial assets measured at fair value through other comprehensive income - net of deferred tax	213,177	125,753	87,424	69.52%
Retained earnings				
General reserve	4,301,777	3,546,323	755,454	21.30%
Unappropriated	1,523,070	1,488,962	34,108	2.29%
TOTAL EQUITY	10,910,539	10,004,948	905,141	9.05%
TOTAL LIABILITIES AND EQUITY	100,723,330	83,619,452	17,103,878	20.45%

*) Restated

Graph of Financial Position Report

(in IDR million)



Asset

For the financial year ending December 31, 2021, Bank Jatim's total assets amounted to IDR100,723,330 million, an increase of 20.45% from last year's IDR83,619,452 million. This increase in assets was influenced by the increase in net marketable securities.

Table of Statements of Financial Position

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Cash	2,023,077	2,511,548	(488,471)	(19.45%)
Current accounts with Bank Indonesia	8,805,300	3,659,968	5,145,332	140.58%
Current accounts with other banks	211,681	237,715	(26,034)	(10.95%)
Allowance for impairment losses	(238)	(53)	(185)	349.06%
Current accounts with other banks. net	211,443	237,662	(26,219)	(11.03%)
Placements with Bank Indonesia and other banks	9,917,695	6,884,658	3,033,037	44.06%
Allowance for impairment losses	(1,763)	(795)	(968)	121.76%
Placements with Bank Indonesia and other banks. net	9,915,932	6,883,863	3,032,069	44.05%
Marketable securities	32,388,966	14,666,737	17,722,229	120.83%

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Allowance for impairment losses	(5,943)	(8,118)	2,175	(26.79%)
Marketable securities, net	32,383,023	14,658,619	17,724,404	120.91%
Marketable securities sold under repurchase agreement	-	-		
and marketable securities purchased under resale agreement (reverse repo)	3,420,685	12,573,044	(9,152,359)	(72.79%)
Other receivables	230,019	131,932	98,087	74.35%
Loans				
Related parties	182,889	285,595	(102,706)	(35.96%)
Third parties	42,566,670	41,195,171	1,371,499	3.33%
Total loans	42,749,559	41,480,766	1,268,793	3.06%
allowance for impairment losses	(1,831,417)	(1,454,721)	(376,696)	25.89%
loans , net	40,918,142	40,026,045	892,097	2.23%
Interest receivables	793,900	555,020	238,880	43.04%
Prepaid expenses	134,200	227,932	(93,732)	(41.12%)
Fixed assets				
Cost	1,906,263	1,882,572	23,691	1.26%
Accumulated depreciation	(762,052)	(676,592)	(85,460)	12.63%
Net book value	1,144,211	1,205,980	(61,769)	(5.12%)
Deferred tax assets, net	627,211	591,676	35,535	6.01%
Other assets, net	115,775	356,098	(240,323)	(67.49%)
TOTAL ASSETS	100,723,330	83,619,452	17,103,878	20.45%

Cash

Cash recorded in 2021 reached IDR2,023,077 million, a decrease of 19.45% compared to the previous year which reached IDR2,511,548 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	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	1,986,107	2,460,657	(474,550)	(19.29%)
Foreign currency	36,970	50,891	(13,921)	(27.35%)
Total Cash	2,023,077	2,511,548	(488,471)	(19.45%)

Current Accounts with Bank Indonesia

Current accounts with Bank Indonesia in 2021 reached IDR8,805,300 million, an increase of 140.58% compared to the previous year which reached IDR3,659,968 million. The increase came from the number of demand deposits at Bank Indonesia in the rupiah sector which experienced a lot of increase.

Table of Current Accounts with Bank Indonesia

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	8,796,748	3,651,538	5,145,210	140.91%
US Dollar	8,552	8,430	122	1.45%
Amount of current accounts with Bank Indonesia	8,805,300	3,659,968	5,145,332	140.58%

Current Accounts with Other Banks, Net

Current accounts with other banks in 2021 reached IDR211,443 million, a decrease of 10.95% compared to the previous year which reached IDR237,662 million. The decrease came from the decrease in the number of demand deposits with other banks.

Table of Current Accounts with Other Banks – Net

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	148,822	160,654	(11,832)	(7.36%)
Foreign currency	62,859	77,061	(14,202)	(18.43%)
Total	211,681	237,715	(26,034)	(10.95%)
Provision for impairment losses	(238)	(53)	(185)	349.06%
Net	211,443	237,662	(26,219)	(11.03%)

Placement with Bank Indonesia and Other Banks, Net

Placements with other banks and Bank Indonesia in 2021 reached IDR9,915,932 million, an increase of 44.06% compared to the previous year which reached IDR6,883,863 million. This increase was due to an increase in placements with both Bank Indonesia and other banks in the type of interbank call money.

Table of Placement with Bank Indonesia and Other Banks, Net

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah :				
Placements with Bank Indonesia	8,025,695	4,528,158	3,497,537	77.24%
Interbank call money	1,892,000	1,036,000	856,000	82.63%
Time Deposit	-	1,320,500	(1,320,500)	(100.00%)
Total	9,917,695	6,884,658	3,033,037	44.06%
Provision for impairment losses	(1,763)	(795)	(968)	121.76%
Net	9,915,932	6,883,863	3,032,069	44.05%

Securities, Net

The securities owned by the Company in 2021 reached IDR32,383,023 million, an increase of 120.91% compared to the previous year which reached IDR14,658,619 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 (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Less than 1 year	20,095,803	10,264,875	9,830,928	95.77%
15 years	12,293,164	4,401,862	7,891,302	179.27%
Less: Provision for impairment losses	(5,943)	(8,118)	2,175	(26.79%)
Total Securities	32,383,023	14,658,619	17,724,404	120.91%

Securities Sold with a Repurchase Agreement (Reverse Repo)

Sold With a Repurchase Agreement Based on the net value owned by the Company in 2021 reached IDR3,420,685 million. Decreased by 72.79% compared to the previous year which reached IDR12,573,044 million. This decrease was due to the decrease in the purchase of Government Securities.

Table of Securities Purchased With A Reverse Repo Based on Net Value

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Government Debt Securities				
FR0070	309,405	-	309,405	100.00%
FR0070	316,859	-	316,859	100.00%
FR0061	-	-	-	-
FR0061	-	-	-	-
FR0059	-	-	-	-
VR0062	469,625	-	469,625	100.00%-
FR0063	-	-	-	-
FR0077	1,416,992	-	1,416,992	100.00%
FR0057	-	-	-	-
FR0079	-	-	-	-
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	165,615	3,261,376	(3,095,761)	(94.92%)
FR0043	742,189	175,665	566,524	322.50%
FR0044	-	300,643	(300,643)	(100.00%)
VR0043	-	4,095,185	(4,095,185)	(100.00%)
Total	3,420,685	12,573,044	(9,152,359)	(72.79%)

Other Receivables

Other claims in 2021 reached IDR230,019 million, an increase of 74.35% compared to the previous year, which reached IDR131,932 million. The increase was due to other bills.

Table of Other Receivables

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Transfer and ATM bills	116,119	119,779	(3,660)	(3.06%)
Others	113,900	12,153	101,747	837.22%
Total Other Receivables, Net	230,019	131,932	98,087	74.35%

Loans, Net

Loans provided in 2021 reached IDR40,918,142 million, an increase of 2.23% compared to the previous year which reached IDR40,026,045 million. This increase was dominated by the increase in third party loan.

Table of Loans, Net

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Loan Given				
Related Parties	182,889	285,595	(102,706)	(35.96%)
Third-Party	42,566,670	41,195,171	1,371,499	3.33%
Total Loan Given	42,749,559	41,480,766	1,268,793	3.06%
Provision for impairment losses	(1,831,417)	(1,454,721)	(376,696)	25.89%
Loans, net	40,918,142	40,026,045	892,097	2.23%

Interest Income Will Still Be Received

Interest income in 2021 reached IDR793,900 million, an increase of 43.04% compared to the previous year which reached IDR555,020 million. The increase was derived from interest income that was still received from loans in other sectors.

Table of Interest Income Will Still Be Received

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Indonesia Rupiah:				
Loan given	426,995	380,365	46,630	12.26%
Others	366,895	174,645	192,250	110.08%
Foreign Currency:				
Others	-	-	-	-
United States Dollar	10	10	-	0.00%
Total Interest Income Will Still Be Received	793,900	555,020	238,880	43.04%

Prepaid Expenses

Prepaid expenses in 2021 reached IDR134,200 million, a decrease of 41.12% compared to the previous year, which reached IDR227,932 million. The decrease came from old-age benefits insurance—prepaid rent and Others.

Table of Prepaid Expenses

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Old-age benefits insurance	82,296	119,556	(37,260)	(31.17%)
Prepaid lease	1,152	22,962	(21,810)	(94.98%)
Other insurance	10,816	2,305	8,511	369.24%
Others	39,936	83,109	(43,173)	(51.95%)
Total Prepaid Expenses	134,200	227,932	(93,732)	(41.12%)

Fixed Assets

Fixed assets in 2021 reached IDR1,144,211 million, a decrease of 5.12% compared to the previous year which reached IDR1,205,980 million. The decrease came from the acquisition cost of motorized vehicles.

Table of Fixed Assets

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Acquisition cost				
Land	856,993	861,658	(4,665)	(0.54%)
Building	203,366	203,052	314	0.15%
Office equipment	546,324	515,595	30,729	5.96%
Vehicle	33,754	46,573	(12,819)	(27.52%)
	1,640,437	1,626,878	13,559	0.83%
Construction in progress				
Building	591	176	415	235.80%
Right of Use Assets	265,235	255,518	9,717	3.80%
Total Cost Acquisition	1,906,263	1,882,572	23,691	1.26%
Accumulated depreciation				
Building	(107,086)	(97,695)	(9,391)	9.61%
Office Inventory	(492,081)	(463,680)	(28,401)	6.13%
Motor vehicle	(33,090)	(45,305)	12,215	(26.96%)
Right of Use Assets	(129,795)	(69,912)	(59,883)	85.65%
Total accumulated depreciation	(762,052)	(676,592)	(85,460)	12.63%
Net book value	1,144,211	1,205,980	(61,769)	(5.12%)

Deferred Tax Assets, Net

Deferred tax assets in 2021 reached IDR627,211 million. It was increased by 6.01% compared to the previous year, which reached IDR591,676 million. The increase came from the provision for losses on earning assets.

Table of Deffered Tax Assets

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Production service reserves	72,345	70,837	1,508	2.13%
Allowance for loss of productive assets	523,599	475,586	48,013	10.10%
Unrealized gain on financial assets at fair value through other comprehensive income	(45,400)	(29,498)	(15,902)	53.91%
More suggestions	14,502	6,698	7,804	116.51%
Rent	1,777	977	800	81.88%
Reserve for employee benefits	60,387	67,076	(6,689)	(9.97%)
Deferred tax assets	627,211	591,676	35,535	6.01%

Other Assets, Net

Other assets in 2021 reached IDR115,775 million, a decrease of 67.49% compared to the previous year, which reached IDR356,098 million. The decrease came from other assets.

Table of Other Assets, Net

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Overpayment tax assessment letter	-	283,450	(283,450)	(100.00%)
Deferred expenses	109,324	39,114	70,210	179.50%
Office stationery and printed supplies	21,891	21,536	355	1.65%
Others	10,020	11,998	(1,978)	(16.49%)
Allowance for decline in net realizable value	(25,460)	-	(25,460)	-
Total Other Assets, net	115,775	356,098	(240,323)	(67.49%)

Liabilities

Liabilities in 2021 reached IDR89,812,791 million, an increase of 22.00% compared to the previous year, which reached IDR73,614,504 million. The growth came from deposits from third-party customers.

Table of Liabilities

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Liability immediately	593,875	484,834	109,041	22.49%
Deposits from customers				
Related parties	17,722,756	14,375,132	3,347,624	23.29%
Third party	65,479,111	54,093,148	11,385,963	21.05%

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Total deposits from customers	83,201,867	68,468,280	14,733,587	21.52%
Deposits from other banks				
Related parties	360,169	238,860	121,309	50.79%
Third party	3,827,731	2,616,744	1,210,987	46.28%
Total deposits from other banks	4,187,900	2,855,604	1,332,296	46.66%
Securities liabilities sold under repurchase agreements	-	-	-	-
Loans received	655,288	631,355	23,933	3.79%
Tax debt	165,476	93,135	72,341	77.67%
Accrued expenses	478,647	484,666	(6,019)	(1.24%)
Other Liabilities	529,738	596,630	(66,892)	(11.21%)
TOTAL LIABILITY	89,812,791	73,614,504	16,198,287	22.00%

Immediate Liabilities

Liabilities in 2021 reached IDR593,875 million, an increase of 22.49% compared to the previous year, which reached IDR484,834 million. The growth comes from the receipt of funds that will be taken into account and others.

Table of Immediate Liabilities

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Transfer, collection and clearing	172,987	192,669	(19,682)	(10.22%)
Expenses already effective must be paid	103,364	71,014	32,350	45.55%
Receipt of funds to be taken into account	116,659	77,612	39,047	50.31%
Others	200,865	143,539	57,326	39.94%
Immediate Liabilities	593,875	484,834	109,041	22.49%

Deposits From Customer

Deposits from customers in 2021 reached IDR83,201,867 million, an increase of 21.52% compared to the previous year, which reached IDR68,468,280 million. The growth came from deposits from third-party customers.

Table of Deposits from Custome

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Related Parties	17,722,756	14,375,132	3,347,624	23.29%
Third-Party	65,479,111	54,093,148	11,385,963	21.05%
Total Deposits from Customer	83,201,867	68,468,280	14,733,587	21.52%

Deposits From Other Banks

Deposits from other banks in 2021 reached IDR4,187,900 million, an increase of 46.66% compared to the previous year which reached IDR2,855,604 million. The increase came from deposits from other third party banks.

Table of Deposits from Other Banks

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Related Parties	360,169	238,860	121,309	50.79%
Third-Party	3,827,731	2,616,744	1,210,987	46.28%
Total Deposits from Other Banks	4,187,900	2,855,604	1,332,296	46.66%

Loans Received

Loans in 2021 reached IDR655,288 million, an increase of 3.79% compared to the previous year which reached IDR631,355 million. The increase came from the increase in loans received from the Ministry of Public Housing of the Republic of Indonesia.

Table of Loans Received

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
PT Sarana Multigriya Financial	76,493	65,895	10,598	16.08%
Revolving Fund Management Institution and Micro, Small and Medium Enterprises	120,394	209,314	(88,920)	(42.48%)
Ministry of Public Housing of the Republic of Indonesia	457,034	354,136	102,898	29.06%
East Java Provincial Government	1,367	2,010	(643)	(31.99%)
Government of the Republic of Indonesia cq Ministry of Finance of the Republic of Indonesia	-	-	-	-
Total Loan Received	655,288	631,355	23,933	3.79%

Tax Payable

Taxes payable in 2021 reached IDR165,476 million, an increase of 77.67% compared to the previous year which reached IDR93,135 million. The increase comes from income tax article 29.

Table of Tax Payable

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Income tax article 21	20,291	20,274	17	0.08%
Income tax article 29	131,299	57,631	73,668	127.83%
Income tax article 23/4	13,492	14,928	(1,436)	(9.62%)
Etc	394	302	92	30.46%
Tax Debt	165,476	93,135	72,341	77.67%

Accrued Expenses

Accrued expenses in 2021 reached IDR478,647 million, decreased by 1.24% compared to the previous year which reached IDR484,666 million. The decrease came from the amount of accrued expenses that decreased in interest.

Table of Accrued Expenses

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Production service reserves	380,767	372,823	7,944	2.13%
Interest	97,880	111,843	(13,963)	(12.48%)
Total Accrued Expenses	478,647	484,666	(6,019)	(1.24%)

Other Liabilities

Other liabilities in 2021 reached IDR529,738 million, decreased by 11.21% compared to the previous year which reached IDR596,630 million. The decrease came from reserves for employee benefits, loan principal, estimated losses on commitments and contingencies, lease liabilities and others.

Table of Other Liabilities Equivalent to Rupiah

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Indonesia Rupiah				
Reserve for employee benefits	317,828	353,033	(35,205)	(9.97%)
Guarantee deposit	117,527	62,029	55,498	89.47%
Principal of forwarding loans received	8,643	9,903	(1,260)	(12.72%)
Interest on forwarding loans received	3,522	3,427	95	2.77%
Estimated losses on commitments and contingencies	117	4,280	(4,163)	(97.27%)
Loan provision and administration	8,971	6,565	2,406	36.65%
Lease liabilities	44,433	113,642	(69,209)	(60.90%)
Others	26,689	43,732	(17,043)	(38.97%)
	527,730	596,611	(68,881)	(11.55%)
Foreign Currency:				
Guarantee deposit				
United States Dollar	-	-		
Others				
United States Dollar	1,431	-	1,431	100.00%
Singapore Dollar	546	-	546	100.00%
Hong Kong Dollar	19	19	0	0.00%
Japanese Yen	12	-	12	100.00%
	28	19	9	47.37%
Total Other Liabilities	529,738	596,630	(66,892)	(11.21%)

Equity

Equity in 2021 reached IDR10,910,539 million, an increase of 9.05% compared to the previous year, which reached IDR10,004,948 million. The growth came from general reserves.

Table of Equity

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (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:				
Series A: 24000 shares				
Series B: 12000 shares				
Issued and fully paid:				
Series A - 11.934.147.982 shares				
Series B - 3.081.350.100 shares (2020: 3.081.350.100 shares)	3,753,875	3,753,875	-	0.00%
Paid-in capital - net	532,734	532,734	-	0.00%
Revaluation surplus of fixed assets	749,717	754,832	(5,115)	(0.68%)
Loss of remeasurement of defined benefit plan - after deferred tax	(163,811)	(197,081)	33,270	(16.88%)
Unrealized gain on marketable securities - available for sale - after deferred tax	213,177	125,753	87,424	69.52%
Retain earning				
General backup	4,301,777	3,546,323	755,454	21.30%
Unappropriated	1,523,070	1,488,962	34,108	2.29%
TOTAL EQUITY	10,910,539	10,004,948	905,141	9.05%

Issued and Fully Deposited Capital

Share capital in 2021 reached IDR3,753,875 million, stable at 0% compared to the previous year which reached IDR3,753,875 million. This did not change because it came from series B stocks.

Fixed Asset Revaluation Surplus

The fixed asset revaluation surplus in 2021 reached IDR749,717 million, a decrease of 0.62% compared to the previous year which reached IDR754,832 million. This decrease came from the revaluation of fixed assets.

Definitive Benefits Review Program Losses - After Deferred Taxes

Loss of remeasurement of the defined benefit plan after deferred tax in 2021 reached (IDR163,811) million. It decreased by 16.88% compared to the previous year, which went (IDR197,081) million. This decrease comes from the update on actuarial calculations.

Unrealized Profits In Securities - Available For Sale - After Deferred Taxes

Unrealized gain on available-for-sale marketable securities after deferred tax in 2021 reached IDR213,177 million. It was increased by 69.52% compared to the previous year, which reached IDR125,753 million. This increase comes from deferred tax.

Additional Paid In Capital, Net

Additional paid-in capital in 2021 reached IDR532,734 million. Stable at 0% compared to the previous year which reached IDR532,734 million. There was no such change because of stock options for the Management and Employee Stock Option Plan (MESOP) program.

Table of Additional Paid-In Capital, Neto

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Share premium from the Initial Public Offering (IPO)	509,369	509,369	0	0.00%
Stock options for the Management and Employee Stock Option Plan (MESOP) program	23,365	23,365	0	0.00%
Total	532,734	532,734	0	0.00%

Retained Earning

Retained earnings in 2021 reached IDR1,523,070 million, an increase of 2.29% compared to the previous year, which reached IDR1,488,962 million. The growth came from loan interest income.

Table of Retained Earning

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Its use has not been determined	1,523,070	1,488,962	34,108	2.29%
Retained Earning	1,523,070	1,488,962	34,108	2.29%

Report On Profit and Loss and Other Comprehensive Income

Table of Profit and Loss and Other comprehensive Income Report

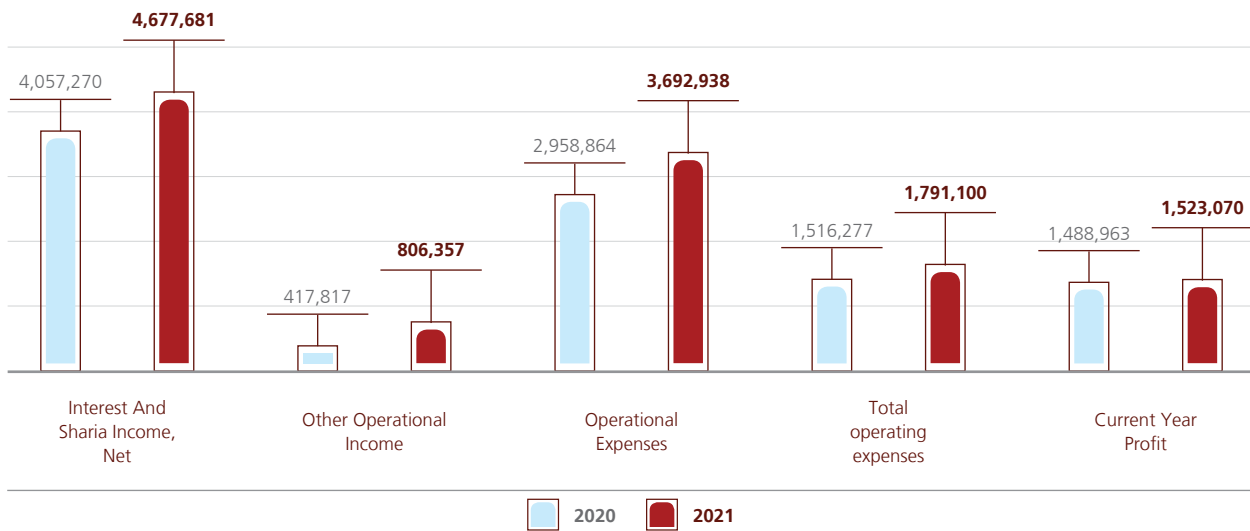
(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
INTEREST AND SHARIA INCOME	6,655,168	6,088,742	566,426	9.30%
INTEREST AND SHARIA EXPENSES	(1,977,487)	(2,031,472)	53,985	(2.66%)
INTEREST AND SHARIA INCOME, NET	4,677,681	4,057,270	620,411	15.29%
OTHER OPERATIONAL INCOME				
Reversal for impairment losses on financial assets	361,666	-	361,666	100.00%
Current, savings and time deposit administration	172,779	162,607	10,172	6.26%
Loan administration	34,055	41,357	(7,302)	(17.66%)
Receipt of write-off loans	553	55,055	(54,502)	(99.00%)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Fees and commissions other than loan given	5,225	5,613	(388)	(6.91%)
Others	177,629	153,239	24,390	15.92%
TOTAL OTHER OPERATIONAL INCOME	806,357	417,871	388,486	92.97%
OPERATIONAL EXPENSES				
Labor and employee benefits	(1,644,897)	(1,544,532)	(100,365)	6.50%
General and administration	(1,078,820)	(684,216)	(394,604)	57.67%
Allowance for impairment losses on financial assets	(819,201)	(567,751)	(251,450)	44.29%
Other expenses	(150,020)	(162,365)	12,345	(7.60%)
Total operating expenses	(3,692,938)	(2,958,864)	(734,074)	24.81%
Total operating expenses	1,791,100	1,516,277	274,823	18.12%
NON-OPERATIONAL REVENUE (EXPENSE)				
Tax service fee	4,684	10,063	(5,379)	(53.45%)
Gain on sale of fixed assets	3,952	2,670	1,282	48.01%
Foreign exchange gain	3,497	2,255	1,242	55.08%
Gain on sale of securities - net	131	-	131	100.00%
Non-operating expenses	(269,509)	(40,586)	(228,923)	564.04%
Others	404,119	16,688	387,431	2,321.61%
Non-operating income, net	146,874	(8,910)	155,784	(1,748.42%)
INCOME BEFORE TAX EXPENSES	1,937,974	1,507,367	430,607	28.57%
TAX EXPENSES - NET	(414,904)	(18,405)	(396,499)	2154.30%
CURRENT YEAR PROFIT	1,523,070	1,488,962	34,108	2.29%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Fixed asset revaluation surplus	(4,665)	6,199	(10,864)	(175.25%)
Remeasurement of defined benefit plans	41,074	100,536	(59,462)	(59.14%)
Income tax related	(7,804)	(21,556)	13,752	(63.80%)
	28,605	85,179	(56,574)	(66.42%)
Items that will be reclassified to profit or loss:				
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	103,326	155,226	(51,900)	(33.44%)
Income tax related	(15,902)	(29,493)	13,591	(46.08%)
	87,424	125,733	(38,309)	(30.47%)
OTHER COMPREHENSIVE INCOME NET AFTER TAX	116,029	210,912	(94,883)	(44.99%)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,639,099	1,699,874	(60,775)	(3.58%)
BASIC INCOME PER SHARE (IN FULL VALUE)	101,43	99,16	2,27	2.29%

Graph of Report on Profit and Loss and Other Comprehensive Income

(in IDR million)



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.

In 2021, Bank Jatim's total net interest and sharia was recorded at IDR6,655,168 million, an increase of 9.30% from last year's IDR. 6,088,742 million. The increase mainly due to an increase in interest income from loans.

Table of Interest Income and Sharia

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Related parties				
Loans	11,501	39,988	(28,487)	(71.24%)
Margin and revenue sharing	439	2,930	(2,491)	(85.02%)
Third party				
Loans	4,429,281	4,302,894	126,387	2.94%
Placements with Bank Indonesia and other banks	783,576	544,780	238,796	43.83%
Securities				
Amortized cost	1,189,657	958,361	231,296	24.13%
Margin and revenue sharing	126,018	126,406	(388)	(0.31%)
Provision	76,906	75,787	1,119	1.48%
Bank Indonesia Certificate	19,077	31,278	(12,201)	(39.01%)
Others	18,713	6,318	12,395	196.19%
Total interest income and sharia	6,655,168	6,088,742	566,426	9.30%

Interest Expenses and Sharia

Interest and sharia expenses in 2021 reached IDR1,977,487 million, decreased by 2.66% compared to the previous year which reached IDR2,031,472 million. The decrease came from savings,

current accounts, government guarantee premiums, loans received, mudharabah profit sharing, other insurance premiums and loan interest expenses.

Table of Interest Expenses and Sharia

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Time deposits	1,501,177	1,330,649	170,528	12.82%
Savings	260,600	302,491	(41,891)	(13.85%)
Current account	194,966	222,465	(27,499)	(12.36%)
Government guarantee premium	-	133,284	(133,284)	(100.00%)
Loans received	16,129	30,450	(14,321)	(47.03%)
Mudharabah profit sharing	3,952	4,659	(707)	(15.17%)
Other insurance premiums	-	7,137	(7,137)	(100.00%)
Loan interest expense	181	216	(35)	(16.20%)
Securities premium	482	121	361	298.35%
Total Interest Expenses and Sharia	1,977,487	2,031,472	(53,985)	(2.66%)

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 and sharia income, net in 2021, reached IDR4,677,681 million, an increase of 15.29% compared to the previous year, which reached IDR4,057,270 million. This increase was mainly influenced by the rise in interest income from loans.

Table of Interest Income And Share, Net

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Interest income and sharia	6,655,168	6,088,742	566,426	9.30%
Interest and Sharia expenses	(1,977,487)	(2,031,472)	53,985	(2.66%)
Table of Interest Income and Share	4,677,681	4,057,270	620,411	15.29%

Other Operational Income

Other operating income in 2021 reached IDR806,357 million, an increase of 92.97% compared to the previous year which reached IDR417,871 million. This increase was due to several influencing factors, i.e. Recovery of impairment losses Reversal for impairment on financial assets.

Table of Other Operational Income

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Reversal for impairment losses on financial assets	361,666	-	361,666	100.00%
Current, savings and time deposit administration	172,779	162,607	10,172	6.26%
Loan administration	34,055	41,357	(7,302)	(17.66%)
Receipt of write-off loans	553	55,055	(54,502)	(99.00%)
Fees and commissions other than loan given	5,225	5,613	(388)	(6.91%)
Others	177,629	153,239	24,390	15.92%
Total other operating income	806,357	417,871	388,486	92.97%

Operating Expenses

Operating expenses in 2021 reached (IDR3,692,938) million, an increase of 24.81% compared to the previous year which reached (IDR2,958,864) million. This increase was mainly due to an increase in the allowance for impairment losses on financial assets, general administration, labor, employee benefits and other expenses.

Table of Operational Expenses

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Labor and employee benefits	(1,644,897)	(1,544,532)	(100,365)	6.50%
General and administration	(1,078,820)	(684,216)	(394,604)	57.67%
Allowance for impairment losses on financial assets	(819,201)	(567,751)	(251,450)	44.29%
Other expenses	(819,201)	(162,365)	(656,836)	404.54%
Total Operational Expenses	(3,692,938)	(2,958,864)	(734,074)	24.81%

Operational Profit

Operating profit in 2021 reached IDR1,791,100 million, an increase of 18.12% compared to the previous year which reached IDR1,516,277 million. This increase was due to other operating income and interest and sharia income, net.

Table of Operational Profit

(in IDR million)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Interest Income and Sharia, Net	4,677,681	4,057,270	620,411	15.29%
Operational Income and Others	806,357	417,871	388,486	92.97%
Operational Expenses	(3,692,938)	(2,958,864)	(734,074)	24.81%
Operational Profit	1,791,100	1,516,277	274,823	18.12%

Non-Operating (Expense) Revenue

Operating income (expenses) in 2021 reached IDR146,874, an increase of 1,748.42% compared to the previous year, which went (IDR8,910) million. This increase was due to non-operating expenses.

Table of Non-Operating (Expense) Revenue

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Tax service fee	4,684	10,063	(5,379)	(53.45%)
Gain on sale of fixed assets	3,952	2,670	1,282	48.01%
Foreign exchange gain	3,497	2,255	1,242	55.08%
Gain on sale of securities - net	131	-	131	100.00%
Non-Operational Expenses	(269,509)	(40,586)	(228,923)	564.04%
Others	404,119	16,688	387,431	2,321.61%
Non-operating income, net	146,874	(8,910)	155,784	(1,748.42%)

Income Before Tax Expenses

Profit before tax expense in 2021 reached IDR1,937,974 million, an increase of 28.57% compared to the previous year which reached IDR1,507,367 million. The increase was due to an increase in operating profit and an increase in non-operating income, net.

Table of Income Before Tax Expenses

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Operational Profit	1,791,100	1,516,277	274,823	18.12%
Non-Operational Income, Net	146,874	(8,910)	155,784	(1,748.42%)
Income Before Tax Expenses	1,937,974	1,507,367	430,607	28.57%

Tax Expenses - Net

Net tax expense in 2021 reached (IDR414,904) million. It was increased by 96.23% compared to the previous year, which went (IDR18,405) million. Tax refunds influenced the increase in net tax expense.

Table of Tax Expense - Net

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Tax expense - net	(414,904)	(18,405)	(396,499)	2,154.30%

Current Year Profit

Profit for the year in 2021 reached IDR1,523,070 million, an increase of 2,29% compared to the previous year which reached IDR1,488,962 million. This increase was due to an increase in net tax expense.

Table of Current Year Profit

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Profit before tax expense	1,937,974	1,507,367	430,607	28.57%
Tax expense - net	(414,904)	(18,405)	(396,499)	2.29%
Current Year Profit	1,523,070	1,488,962	34,108	2.29%

Other Comprehensive Income

Other comprehensive income in 2021 will reach IDR116,029 million. It decreased by 44.99% compared to the previous year, which reached IDR210,912 million. This decrease was due to the unrealized gain (loss) on financial assets measured at fair value through other comprehensive income.

Table of Other Comprehensive Income

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Items that will not be reclassified to profit or loss:				
<i>Fixed asset revaluation surplus</i>	(4,665)	6,199	(10,864)	(175.25%)
Remeasurement of defined benefit plans	41,074	100,536	(59,462)	(59.14%)
Income tax related	(7,804)	(21,556)	13,752	(63.80%)
	28,605	85,179	(56,574)	(66.42%)
Items that will be reclassified to profit or loss:				
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	103,326	155,226	(51,900)	(33.44%)
Income tax related	(15,902)	(29,493)	13,591	(46.08%)
Other comprehensive income	116,029	210,912	(94,883)	(44.99%)

Comprehensive Income For the Year

Comprehensive profit for the year in 2021 reached IDR1,639,099 million, a decrease of 3.58% compared to the previous year which reached IDR1,699,874 million. This decline was triggered by a decrease in other comprehensive income.

Table of Comprehensive Income For The Year

(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Current Year Profit	1,523,070	1,488,962	34,108	2.29%
Other Comprehensive Income	116,029	210,912	(94,883)	(44.99%)
Comprehensive Income for The Year	1,639,099	1,699,874	(60,775)	(3.58%)

Basic Earnings Per Share

Basic earnings per share in 2021 reached basic earnings per share of IDR101.43. An increase of 2.29% compared to the previous year went basic earnings per share of IDR99.16. This increase was triggered by earnings growth to calculate basic earnings per share.

Table of Basic Earnings Per Share

(dalam Rupiah Penuh)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
Earnings for the calculation of basic earnings per share	1,523,070	1,488,962	34,108	2.29%
Number of weighted average shares outstanding	15,015,498,082	15,015,498,082	-	0.00%
Basic earnings per shares	101,43	99,16	2,27	2.29%

Cash Flow Report

Table of Cash Flow Report

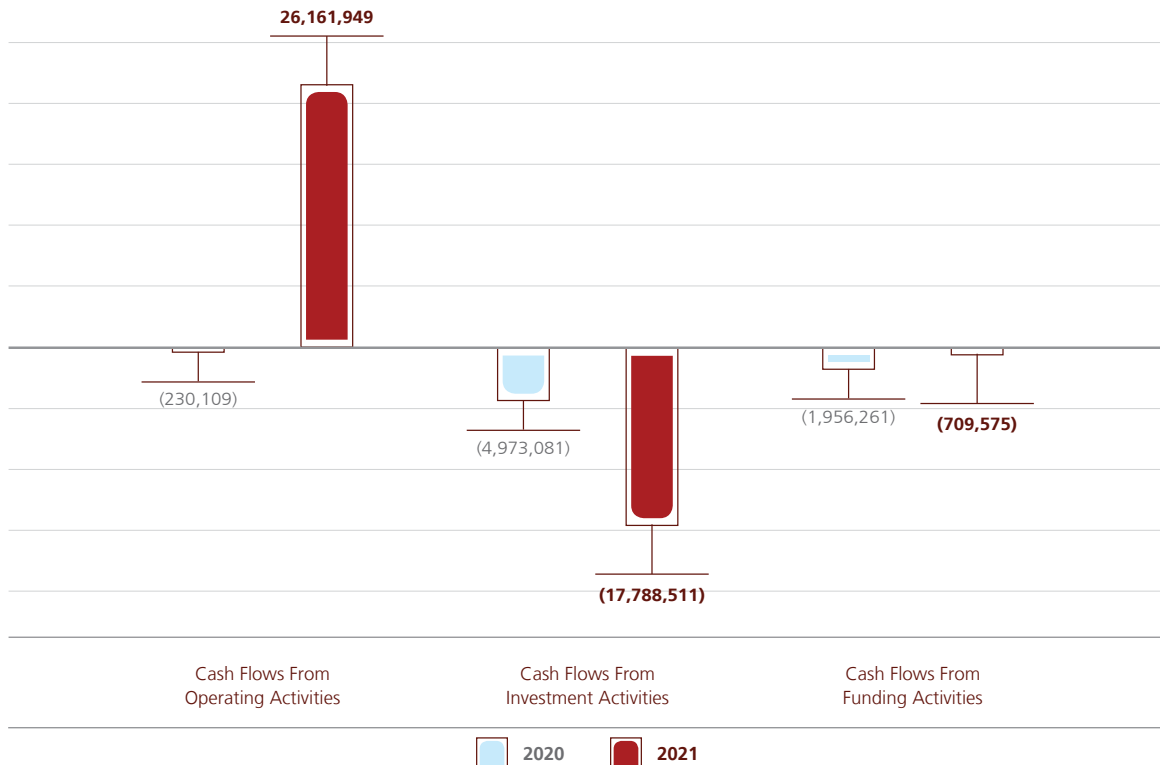
(in IDR million)

Description (1)	2021 (2)	2020 (3)	Growth	
			IDR (4) = (2)-(3)	% (5) = (4)/(3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest receipts, sharia, fees and commissions	6,421,514	5,950,142	471,372	7.92%
Payment of interest, sharia, fees and commissions	(1,983,506)	(1,799,442)	(184,064)	10.23%
Receipts from other operating income	384,463	153,239	231,224	150.89%
Receipt of write-off loan	553	55,055	(54,502)	(99.00%)
Revenue from non-operating income	416,380	297	416,083	140,095.29%
Payment for non-operating expenses	(269,509)	(40,586)	(228,923)	564.04%
Payment of labor costs and employee benefits	(1,644,897)	(1,490,765)	(154,132)	10.34%
Payment of general and administrative expenses	(1,211,045)	(544,941)	(666,104)	122.23%
Payment of taxes	(378,098)	(378,774)	676	(0.18%)
Net cash is received before changes in operating assets and liabilities	1,790,305	1,932,935	(142,630)	(7.38%)
Changes in operating assets and liabilities:				
Placements with Bank Indonesia and other banks	-	1,120	(1,120)	(100.00%)
Loan given	(1,268,793)	(3,128,466)	1,859,673	(59.44%)
Securities that are sold under repurchase agreements	-	1,038,432	(1,038,432)	(100.00%)
Reverse repo billing	9,152,359	(6,735,524)	15,887,883	(235.88%)
Other assets and other receivables	235,620	(282,585)	518,205	(183.38%)
Immediate liability	109,040	127,269	(18,229)	(14.32%)
Deposits from customers	14,733,587	7,922,408	6,811,179	85.97%
Deposits from other banks	1,332,296	(32,826)	1,365,122	(4,158.66%)
Liabilities for securities sold under agreements to repurchase	-	(1,037,094)	1,037,094	(100.00%)
Other Liabilities	77,535	(146,658)	224,193	(152.87%)
Net cash obtained from (used for) operating activities	26,161,949	(230,109)	26,392,058	(11,469.37%)

Description	2021	2020	Growth	
			IDR	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Purchase of securities	(17,722,229)	(4,943,265)	(12,778,964)	258.51%
Acquisition of securities	(70,838)	(32,487)	(38,351)	118.05%
Sale of securities	4,556	2,671	1,885	70.57%
Net cash is used for investing activities	(17,788,511)	(4,973,081)	(12,815,430)	257.70%
CASH FLOWS FROM FUNDING ACTIVITIES				
Receipt (payment) of received loans	23,933	(1,238,891)	1,262,824	(101.93%)
Proceeds from additional share capital	-	7,263	(7,263)	(100.00%)
Payment of lease obligations	-	(886)	886	(100.00%)
Payment of cash dividends	(733,508)	(723,747)	(9,761)	1.35%
Net cash is used in financing activities	(709,575)	(1,956,261)	1,246,686	(63.73%)
Decrease (increase) net increase in cash and cash equivalents	7,663,863	(7,159,451)	14,823,314	(207.05%)
Cash and cash equivalents at the beginning of the year	13,293,890	20,453,366	(7,159,476)	(35.00%)
Effect of changes in foreign currency exchange rates	-	(25)	25	(100.00%)
Cash and cash equivalents at year end	20,957,753	13,293,890	7,663,863	57.65%
Cash and cash equivalents consist of:				
Cash	2,023,077	2,511,548	(488,471)	(19.45%)
Current accounts with Bank Indonesia	8,805,300	3,659,969	5,145,331	140.58%
Current accounts with other banks	211,681	237,715	(26,034)	(10.95%)
Placements with Bank Indonesia and other banks	9,917,695	6,884,658	3,033,037	44.06%
Total cash and cash equivalents	20,957,753	13,293,890	7,663,863	57.65%

Graph of Cash Flow Report

(in IDR million)



At the end of 2021, Bank Jatim recorded a final balance of cash and cash equivalents of IDR20,957,753 million, an increase of 57.65% compared to 2020 which was IDR13,293,890 million. The increase in cash balances was mainly due to an increase in demand deposits with Bank Indonesia and placements with Bank Indonesia and Other Banks and net cash obtained from operating activities.

Cash Flows From Operating Activities

Net cash obtained from operating activities in 2021 reached IDR26,161,949 million, an increase of 11,469.37% compared to in 2020 with net cash used for operating activities amounting to Rp230,109 million. Net cash flow was the reduction between cash inflows and cash outflows. The highest cash inflows came from an increase in interest income, investment and sharia, premium income, other operating income, non-operating income, an increase in customer deposits, and an increase in deposits from other banks. The highest cash outflows came from lending, interest payments, and other operating expenses. This means that Bank Jatim was able to carry out good business processes by utilizing its operational sources such as loans, customer deposits, and tax payments into cash that had been recognized and earned.

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 loan granted to the amount of customer deposits (Loan to Deposit Ratio/LDR) to determine the Bank's ability to repay obligations to customers who have deposited their funds with loan and financing provided to debtors as a source of liquidity. LDR in 2021 is 51.38%. Decreased by 9.20% compared to 2020, which was 60.58%. This means that Bank Jatim's liquidity has improved and is in good condition so that it can meet its short-term obligations.

Table of Liquidity Ratio

(in %)			
Description	2021	2020	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Loan to Deposit Ratio (LDR)	51.38%	60.58%	(9.20%)

Ability To Pay Long-Term Debt (Bank Solvability)

The Capital Adequacy Ratio (CAR) in 2021 was at a safe level of 23.52% although it slightly increased by 1.88% compared to 2020 which was recorded at a level of 21.64%. The level of Bank Jatim's CAR ratio showed that the bank's capital structure had the capability to offset market risk, loan risk and operational risk in which the ratio was higher than the BI/OJK minimum adequacy ratio, and the Bank's capital structure had complied with BI/FSA Regulations of 14%. This showed that the Bank managed the Bank's capital well and had sufficient capital to protect it from solvency risk.

Cash Flows From Investment Activities

Net cash used for operating activities in 2021 reached IDR17,788,511 million, an increase of 257.70% compared to 2020 which was IDR4,973,081 million. The highest cash outflows came from purchases of government bonds, purchases of securities, and purchases of fixed assets. This indicated that Bank Jatim still made additional investments but had not yet received returns in the form of cash from investments issued during 2020.

Cash Flows From Funding Activities

Net cash used for financing activities in 2021 reached IDR709,575 million, a decrease of 63.73% compared to 2020 which amounted to IDR1,956,261 million. This was mainly influenced by loan repayments received. The highest cash inflows came from the increase in loans received. The highest cash outflows came from dividend payments and a decrease in issued securities. This means that Bank Jatim was still able to get cash in the form of funding from loans received which was able to cover cash outflows in the form of dividends and others.

Table of Solvability Ratio

(in %)

Description	2021	2020	Increase/Decrease
(1)	(2)	(3)	(2)-(3)
CAR-TIER I	22.52%	20.63%	1.89%
CAR-TIER II	1.01%	1.02%	(0.01%)
CAR (Credit, Market and Operational Risks)	23.52%	21.64%	1.88%

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	2021	2020	Increase/Decrease
(1)	(2)	(3)	(2)-(3)
RENTABILITY RATIO			
<i>Return on Assets (RoA)</i>	2.05%	1.95%	0.10%
<i>Return on Equity (RoE)</i>	17.26%	18.77%	(1.51%)
<i>Net Interest Margin (NIM)</i>	5.11%	5.55%	(0.44%)
EFFICIENCY RATIO			
Operating Expenses to Operating Income (BOPO)	75.95%	77.76%	(1.81%)
COMPLIANCE RATIO			
Minimum Rupiah Statutory Reserves	5.73%	5.03%	0.70%
Foreign Currency Minimum Statutory Reserves	7.36%	8.22%	(0.86%)

Return On Assets (ROA)

RoA in 2021 is 2.05%, or an increase of 0.10% compared to 2020 of 1.95%. The increase was partly due to the rise in total assets.

Return On Equity (ROE)

RoE in 2021 was 17.26% or decreased by 1.51% compared to 2020 at 18.77%. The increase mainly influenced the growth in profit.

Net Interest Margin (NIM)

NIM decreased by 0.44% from 5.55% in 2020 to 5.11% at the end of 2021. This was mainly influenced by growth in lending and financing in 2021.

Operational Cost Of Operating Income (BOPO)

The BOPO ratio decreased by 1.81% in 2020. from 77.76% in 2020 to 75.95% in 2021. The decline was mainly influenced by the decrease in interest expense in 2021.

Statutory Reserve Requirement

Bank Jatim Rupiah Statutory Reserves in 2021 is 5.73% and Foreign Currency GWM is 7.36%. 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 loan is problematic or bad of all loans given by banks to customers. The smaller the NPL value, the better the Bank's performance in the collectibility of accounts receivable and shows good loan quality.

Table of Non Performing Loan Ratio

(in %)

Description	2021	2020	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Non Performing Loan (NPL) Gross	4.48%	4.00%	0.48%
Non Performing Loan (NPL) Nett	0.96%	0.89%	0.07%

Gross NPL in 2021 was 4.48%, or an increase of 0.48% compared to 2020, which was 4%. Meanwhile, the net NPL in 2021 is 0.96% or an increase of 0.07% compared to 0.89% in 2020. The increase in net NPL value was due to the impact of the COVID-19 pandemic throughout 2021.

Bank loan quality is divided based on the level of collectability, namely into the current, special mention, substandard, doubtful, and loss groups. Meanwhile, the purpose of loan classification is so that the Bank can routinely monitor the loans that have been distributed.

Table of Loans Given by Type and Collectability

(in IDR million)

Description	Total	Current	Special mention	Sub- standard	Doubtful	Loss
2021						
Working capital	9,668,644	8,079,285	441,640	21,042	30,559	1,096,118
Investment	5,825,776	5,523,597	61,653	6,491	1,614	232,421
Consumption	27,255,139	26,446,749	280,263	35,331	59,364	433,432
Total	42,749,559	40,049,631	783,556	62,864	91,537	1,761,971
Less: Allowance for impairment losses	(1,831,417)	(262,390)	(61,603)	(24,593)	(36,896)	(1,445,935)
Total loans, net	40,918,142	39,787,241	721,953	38,271	54,641	316,036
2020						
Working capital	8,599,891	7,133,134	478,450	18,179	33,145	936,983
Investment	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
Total	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)
Total loans, net	40,026,045	38,925,137	730,724	29,978	46,093	294,113
Growth 2020-2021 (%)						
Working capital	12.43%	13.26%	(7.69%)	15.75%	(7.80%)	16.98%
Investment	(3.72%)	(3.68%)	(12.35%)	111.43%	(64.79%)	(2.40%)
Consumption	1.58%	1.23%	0.69%	28.20%	41.20%	21.95%
Total	3.06%	2.71%	(5.27%)	28.80%	14.75%	15.12%
Less: Allowance for impairment losses	25.89%	278.27%	(36.11%)	30.60%	9.56%	16.94%
Total loans, net	2.23%	2.21%	(1.20%)	27.66%	18.55%	7.45%

The net loan disbursed in 2021 is IDR40,918,142 million. an increase of 2.23% compared to 2020, which amounted to IDR40,026,045 million with a current loan classification of IDR39,787,241 million, in special mention of IDR721,953 million, substandard of IDR38,271 million, doubtful of IDR54,641 million, and traffic jam of IDR316,036 million.

Fund Interest Rate

Information on competitive and competitive interest rates for savings, time deposits and current accounts of Bank Jatim is presented as follows:

Table of Savings Interest Rate Per December 2020

Tier	Interest Rate
SIMPEDA	
0 - < IDR1 million	0.00%
IDR1 million - < IDR10 million	0.50%
IDR10 million - < IDR50 million	0.75%
IDR50 million - < IDR500 million	1.00%
IDR500 million	1.50%
SIKLUS	
0 - < IDR1 million	0.00%
IDR1 million - < IDR10 million	0.75%
IDR10 million - < IDR50 million	1.00%
IDR50 million - < IDR500 million	1.25%
IDR500 million	1.50%
SIKLUS CERIA	
Siklus Bunga Plus Periode 2021 Gadgets/Electronic Gifts, Motor Vehicles, Others Remarks: Valid Until December 31, 2021	Tenor 1 - 60 Months 3.25% goods and 0.25% interest at the end of the period
Siklus Vaganza <ul style="list-style-type: none"> IDR5 million balance, Tumbler Prize IDR10 million balance, Gift Voucher IDR25 million balance, Power Bank Prize 	Tenor 4 Months Interest follows the Cycle Savings interest rates
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	1.00%
	Notes: <ul style="list-style-type: none"> Interest is calculated daily and in accordance with the applicable tiering Interest is paid according to the payment period
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	
< USD25.000	0.00%
> USD25.000 ≤ USD100.000	0.15%
> USD100.000	0.20%
SGD	
≤ SGD25.000	0.00%
> SGD25.000 ≤ SGD100.000	0.15%
> SGD100.000	0.20%
EUR	
0 - EUR300	0.00%
> EUR300	0.10%
JPY	
All Nominal	0.00%
HKD	
All Nominal	0.00%

Table of Time Deposit Interest Rates per December 2021

Tier	Tenor (Month)						
	1 Month	2 Month	3 Month	6 Month	12 Month	18 Month	24 Month
≥IDR2.5 million – IDR1 billion	2.95% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa
>IDR1 billion	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa	3.00% pa

Table of Foreign Exchange Interest Rates Per December 2021

Tier	Tenor (Month)			
	1 Month	3 Month	6 Month	12 Month
USD				
≥ USD1000 – Unlimited	0.25% 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 Interest Rates for December On Call Deposits 2021

Tier	Interest Rate
Deposito On Call (Rupiah)	0.75% below the market interest rate of Government Banks, BPD or Private Banks obtained from LHBU or Reuters

Table of Current Account Interest Rate Per December 2021

Tier	Interest Rate
RUPIAH	
Progressive Daily Current Account Service Calculation	
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%
Current Account Escrow Account	Same as current account Rupiah, and must be included in the Cooperation Agreement (PK)
FOREIGN EXCHANGE	
USD FOREIGN CURRENCY GIRO	
≤ USD25.000	0.00%
> USD25.000 - ≤ USD100.000	0.15%
> USD100.000	0.20%
SGD FOREIGN CURRENCY GIRO	
≤ SGD25.000	0.00%
> SGD25.000 - ≤ SGD100.000	0.15%
> SGD100.000	0.10%
EUR FOREIGN CURRENCY GIRO	
EUR	0.10%
JPY FOREIGN CURRENCY GIRO	
JPY	0.00%

Table of Profit Sharing Ratio

Product	Profit Sharing Ratio	Realization of Profit Sharing
Individual Wadiah Current Account	-	0.068%
General Wadiah Giro Service/Government	-	0.06%
Public Private Wadiah Current Account	-	0.06%
TabunganKu iB	-	0.06%
Simple Savings	-	0.06%
iB Amanah Umrah Savings	-	0.06%
Amanah Hajj Savings	10.00%	0.63%
Barokah Savings	12.50%	0.79%
Prosperous Barokah Savings	4.00%	0.25%

Product	Profit Sharing Ratio	Realization of Profit Sharing
iB Barokah Plan Savings	25.00%	1.57%
iB Barokah Pension Savings	15.00%	0.94%
1 Month Deposit	36.00%	2.26%
3 Months Deposit	38.00%	2.39%
6 Months Deposit	41.00%	2.58%
12 Months Deposit	42.50%	2.67%

Table of Profit Sharing Ratio

Product	Profit Sharing Ratio
Wadiah Current Account	-
My Savings	-
TabunganKu Simple iB	-
iB Amanah Umrah Savings	-
Amanah Hajj Savings	10.00%
Barokah Savings	12.50%
Prosperous Barokah Savings	4.00%
iB Barokah Plan Savings	25.00%
iB Barokah Pension Savings	15.00%
1 Month Deposit	38.00%
3 Months Deposit	51.00%
6 Months Deposit	48.50%
12 Months Deposit	43.00%

Interest Rate On Loan

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 loan interest rate charged to debtors was not necessarily the same as the prime lending rate. Non-KPR consumption loan did not include provision of funds through credit cards and unsecured credit (KTA).

Table of Basic Loan Interest Rates

Bank Jatim Basic Loan Interest Rate as of December 2021				
Based on Business Segments				
Corporate Loan	Retail Loan	Micro Loan	Consumption Loan	
			KPR	Non KPR
5.90%	6.66%	11.46%	7.08%	8.60%

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).

Quality Analysis of Productive Assets

Productive assets in 2021 amounted to IDR88.31 trillion, an increase of 63.41% compared to 2020, which amounted to IDR78.08 trillion. The quality of productive assets in the current category of 2021 is IDR 85.46 trillion. Under special mention amounting to IDR 809 billion, substandard amounting to IDR 63.41 billion. Doubtful amounting to IDR91.54 billion and loss of IDR1.89 trillion.

Table of Quality Analysis Of Productive Assets

No	POS-POS	INDIVIDUAL					
		31 December 2021					
		Current	Special mention	Sub-standard	Doubtful	Loss	Total
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	30,268	-	-	-	-	30,268
	ii. Foreign exchange	-	-	-	-	-	-

(in IDR million)

INDIVIDUAL						
31 December 2020						
	Current	Special mention	Sub-standard	Doubtful	Loss	Total
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	51,118	-	-	-	-	51.118
	-	-	-	-	-	-

No	POS-POS	INDIVIDUAL					
		31 December 2021					
		Current	Special mention	Sub-standard	Doubtful	Loss	Total
	b. Not a MSME debtor						
	i. Rupiah	149,973	2,648	-	-	-	152,621
	ii. Foreign exchange	-	-	-	-	-	-
	c. Restructured Loan **						
	i. Rupiah	-	-	-	-	-	-
	ii. Foreign exchange	-	-	-	-	-	-
8	Equity capital	-	-	-	-	-	-
9	Other Receivables	-	-	-	-	-	-
10	Commitments and contingencies						
	a. Rupiah	-	-	-	-	-	-
	b. Foreign exchange	-	-	-	-	-	-
	TOTAL	180,241	2,648	-	-	-	182,889
II	NON-RELATED PARTIES						
1	Placements with other banks						
	a. Rupiah	2,040,822	-	-	-	-	2,040,822
	b. Foreign exchange	62,859	-	-	-	-	62,859
2	Spot and derivatives/forward receivables						
	a. Rupiah	-	-	-	-	-	-
	b. Foreign exchange	-	-	-	-	-	-
3	Securities owned						
	a. Rupiah	32,388,966	-	-	-	-	32,388,966
	b. Foreign exchange	-	-	-	-	-	-
4	Securities sold under repurchase agreement (Repo)						
	a. Rupiah	-	-	-	-	-	-
	b. Foreign exchange	-	-	-	-	-	-

INDIVIDUAL

31 December 2020

	Current	Special mention	Sub-standard	Doubtful	Loss	Total
	234,477	-	-	-	-	234,477
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	285,595	-	-	-	-	285,595
	2,517,153					2,517,153
	77,062					77,062
	-	-	-	-	-	-
	-	-	-	-	-	-
	14,666,737	-	-	-	-	14,666,737
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

No	POS-POS	INDIVIDUAL						
		31 December 2021						
		Current	Special mention	Sub- standard	Doubtful	Loss	Total	
5	Claims on securities purchased under agreement to resell (Reverse Repo)							
	a. Rupiah	3,420,685	-	-	-	-	3,420,685	
	b. Foreign exchange	-	-	-	-	-	-	
6	Acceptance bill							
7	Loans given and financing provided							
	a. Micro, Small and Medium Enterprises (UMKM) Debtors)							
	i. Rupiah	9,021,347	511,880	30,926	33,031	960,521	10,557,705	
	ii. Foreign exchange	-	-	-	-	-	-	
	b. Not a MSME debto							
	i. Rupiah	30,848,043	269,028	31,938	58,506	801,450	328,965	
	ii. Foreign exchange	-	-	-	-	-	-	
	c. Restructured Loan							
	i. Rupiah	3,151,684	26,157	547	-	122,576	3,300,964	
	ii. Foreign exchange	-	-	-	-	-	-	
	iii Property Loan	-	-	-	-	-	-	
8	Equity capital	-	-	-	-	-	-	
9	Other Receivables	-	-	-	-	-	-	
10	Commitments and contingencies							
	a. Rupiah	4,300,733	-	-	-	-	4,300,733	
	b. Foreign exchange	42,758	-	-	-	-	42,758	
	TOTAL	85,277,897	807,065	63,411	91,537	1,884,547	88,124,457	
III	OTHER INFORMATION							
1	Total pledged bank assets:							
	a. At Bank Indonesia	-	-	-	-	-	-	
	b. On the other hand	-	-	-	-	-	-	
2	Foreclosed collateral	-	-	-	-	-	-	
	TOTAL	85,458,138	809,713	63,411	91,537	1,884,547	88,307,346	

INDIVIDUAL

31 December 2020

	Current	Special mention	Sub-standard	Doubtful	Loss	Total
	12,573,044	-	-	-	-	12,573,044
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	7,849,707	567,875	25,670	40,341	810,762	9,294,355
	-	-	-	-	-	-
	30,867,881	250,823	23,468	39,430	719,214	31,900,816
	-	-	-	-	-	-
	1,808,540	119,233	3,676	-	53,301	1,984,750
	2,044,240	182,018	15,047	27,644	18,070	2,287,019
	-	-	-	-	-	-
	-	-	-	-	-	-
	4,747,063	-	-	-	-	4,747,063
	42,150	-	-	-	-	42,150
	75,149,337	937,931	52,814	79,771	1,583,277	77,803,130
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	75,434,932	937,931	52,814	79,771	1,583,277	78,088,725

Capital Structure and Risk Management Practice

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 Financial Services Authority Regulation No. 34/POJK.03/2016 concerning Minimum Capital Adequacy Requirements 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 (KPMM) as stipulated by Bank Indonesia.

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 2021, Bank Jatim has met all the required capital requirements.

Capital Structure Details

In accordance with the Financial Services Authority Regulation, bank capital consists of:

1. 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's core capital in 2021 will reach IDR 9,297,192 million. an increase of 10.53% from the average Growth of the last 3 (three) years of IDR 8,411,757 million due to additional capital from the retained earnings component.

2. 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. Bank Jatim's total supplementary capital in 2021 is IDR 415,071 million, an increase of 0.24% from the average growth for the last 3 (three) years of IDR403,105 million.

Table of Capital Structure

(in IDR million)

Bank Jatim Capital Adequacy Position	2021	2020	2019	Rata-Rata Growth	Growth 2020-2021 (%)
Core Capital	9,297,192	8,411,757	7,617,005	8,441,985	10.53%
Supplementary Capital	415,071	414,072	380,171	403,105	0.24%
Total Core Capital and Supplementary Capital	9,712,263	8,825,829	7,997,176	8,845,089	10.04%
Risk Weighted Assets (RWA) for Credit Risk	32,790,641	32,711,702	30,033,543	31,845,295	0.24%
Risk Weighted Assets (RWA) for Operational Risk	8,397,351	7,978,478	7,543,287	7,973,039	5.25%
Risk Weighted Assets (RWA) for Market Risk	98,936	85,830	98,829	94,532	15.27%
CAPITAL ADEQUACY RATIO (%)					
Core Capital Ratio	22.52	20.63	20.22	21.12	1.89%
Capital Adequacy Ratio for Credit and Operational Risk	23.58	21.70	21.28	22.19	1.88%
Capital Adequacy Ratio for Credit, Operational and Market Risks	23.52	21.64	21.23	22.13	1.88%

Capital Structure

The composition of the capital structure in 2021 owned by Bank Jatim was 88.04% from liabilities and 11.96% from equity. The percentage of capital structure funded by loans received in 2021 was 0.76%. It decreased compared to 2020 by 2.44%. All loans received were from third parties and were denominated in Rupiah.

Table of Capital Structure Detail

(in IDR million)

Description	2021		2020		Growth	
	(IDR)	(%)	(IDR)	(%)	(IDR)	(%)
Liabilities and Equity	100,723,330	100.00%	83,619,452	100.00%	17,103,878	20.45%
Liabilities	89,812,791	89.17%	73,614,504	88.04%	16,198,287	22.00%
Borrowings (interest-based debt)	655,288	0.65%	631,355	0.76%	23,933	3.79%
Equity	10,910,539	10.83%	10,004,948	11.97%	905,141	9.05%

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 loan, 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 loan 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 loan protections. As of December 31, 2021 and 2020, 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 2021

(in IDR million)

Description	31 December 2021					
	East Java	Java other than East Java	Sumatera	Kalimantan	Others	Total
FINANCIAL POSITION						
Current accounts with Bank Indonesia	-	8,805,300	-	-	-	8,805,300
Current accounts with other banks	-	211,443	-	-	-	211,443
Placements with Bank Indonesia and other banks	1,152,001	5,705,135	5380	4490	2,071,796	9,915,932
Securities						
Amortized cost	-	20,828,263	-	-	-	20,828,263
Fair value through other comprehensive income	-	11,554,760	-	-	-	11,554,760

Description	31 December 2021					
	East Java	Java other than East Java	Sumatera	Kalimantan	Others	Total
Securities sold under a repurchase agreement	-	-	-	-	-	-
Securities purchased under an agreement to be resold	-	3,420,685	-	-	-	3,420,685
Other bills	230,019	-	-	-	-	230,019
Loan given						
Working capital	7,404,378	987,389	71,261	996	12,400	8,476,424
Investment	2,715,972	2,267,500	110,798	473,626	-	5,567,896
Consumption	26,695,730	145,689	32,238	-	165	26,873,822
Interest income will still be received	771,149	20,119	1,128	744	760	793,900
Total	38,969,249	53,946,283	753,425	924,366	2,085,121	96,678,444
ADMINISTRATIVE ACCOUNT						
Unused loan facilities granted to customers	2,370,071	784,709	2,784	24,416	-	3,181,980
Bank guarantee issued	1,161,510	-	-	-	-	1,161,510
Total	3,531,581	784,709	2,784	24,416	-	4,343,490

Table of Credit Risk Concentration Based on Geographics in 2020

(in IDR million)

Description	31 December 2020					
	East Java	Java other than East Java	Sumatera	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	5380	4490	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
Loan 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 loan 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

CREDIT RISK CONCENTRATION BY INDUSTRY SECTOR**Table of Credit Risk Concentration by Industrial Sector in 2021**

(in IDR million)

Description	31 December 2021					
	Government and Bank Indonesia	Bank	Non-Bank Financial Institutions	Other companies	Individual	Total
FINANCIAL POSITION						
Current accounts with Bank Indonesia	8,805,300	-	-	-	-	8,805,300
Current accounts with other banks	-	-	211,443	-	-	211,443
Placements with Bank Indonesia and other banks	9,915,932	-	-	-	-	9,915,931
<i>Derivative spot receivables</i>	-	-	-	-	-	-
Securities						
Amortized cost	16,071,667	-	139,804	4,616,792	-	20,828,263
Fair value through other comprehensive income	11,554,760	-	-	-	-	11,554,760
Securities sold under a repurchase agreement	-	-	-	-	-	-
Securities purchased under an agreement to be resold	-	-	3,420,685	-	-	3,420,685
Other bills	-	-	-	-	230,019	230,019
Loan given						
Working capital	29,929	169,092	384,779	2,726,787	5,165,837	8,476,424
Investment	40,080	291	-	4,425,534	1,101,991	5,567,896
Consumption	-	-	-	10,593	26,863,229	26,873,822
Interest income will still be received						
Total	732	1,155	721	128,463	662,829	793,900
ADMINISTRATIVE ACCOUNT	46,418,400	170,538	4,157,432	11,908,169	34,023,905	96,678,443
UNUSED LOAN FACILITIES GRANTED TO CUSTOMERS						
Bank guarantee issued	-	-	271,800	-	2,910,180	3,181,980
Total	-	-	-	-	1,161,510	1,161,510
Total	-	-	271,800	-	4,071,690	4,343,490

Table of Credit Risk Concentration by Industrial Sector in 2020

(in IDR million)

Description	31 December 2020					
	Government and Bank Indonesia	Bank	Non-Bank Financial Institutions	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
<i>Derivative spot receivables</i>	-	-	-	-	-	-
Securities						
Amortized cost	5,704,783	-	326,546	4,883,193	-	10,914,521
Fair value through other comprehensive income	3,744,097	-	-	-	-	3,744,098

Description	31 December 2020					
	Government and Bank Indonesia	Bank	Non-Bank Financial Institutions	Other companies	Individual	Total
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
Loan 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	20,062,960	170,385	13,440,520	13,010,801	32,041,486	78,726,153
ADMINISTRATIVE ACCOUNT						
Unused loan 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

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, 2021 are described below. The "base", "upside" and "downside" scenarios are used for all portfolios.

Table of Economic Variable Assumptions

Economic Variables	Scenario	2024	2023	2022
Inflation (%)	Base	2.41	2.41	2.08
	Upside	4.64	4.69	4.37
	Downside	0.94	0.92	0.57
Exchange Rate (IDR/US\$)	Base	15,342.28	15,071.92	14,635.06
	Upside	13,910.46	13,661.21	13,223.54
	Downside	17,522.53	17,220.02	16,769.17
Interest Rate (%)	Base	4.42	4.44	4.15
	Upside	3.34	3.35	3.04
	Downside	6.05	6.11	5.83
Crude Oil (US\$/Barrel)	Base	48.96	55.09	64.94
	Upside	29.55	35.34	44.47
	Downside	78.53	85.16	96.11
Gold (US\$/oz)	Base	1,435.45	1,454.02	1,528.24
	Upside	1,271.60	1,283.07	1,349.97
	Downside	1,684.95	1,714.32	1,799.69
Unemployment Rate (%)	Base	5.33	5.34	5.47
	Upside	4.92	4.93	5.04
	Downside	5.96	5.98	6.12

Economic Variables	Scenario	2024	2023	2022
Property Price Level (%)	Base	221.50	219.04	216.10
	Upside	238.39	235.58	232.28
	Downside	195.79	193.85	191.46
Gross domestic product (%)	Base	2.06	2.26	2.17
	Upside	4.05	4.29	4.25
	Downside	(0.98)	(0.85)	(1.01)

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	0.01% - 0.12%	0.003% - 0.05%	0.03% - 0.34%
	Stage 2	3.05% - 5.11%	1.95% - 2.23%	5.49% - 21.33%
	Stage 3	26.65%	26.65%	26.65%
Household sector - Other nonbusiness sectors	Stage 1	0.002% - 0.33%	0.001% - 0.07%	0.006% - 0.60%
	Stage 2	0.56% - 1.42%	0.37% - 1.94%	0.93% - 1.20%
	Stage 3	3.46%	3.46%	3.46%
Processing industry sectors	Stage 1	0.003% - 0.98%	0.003% - 0.98%	0.003% - 0.98%
	Stage 2	3.27% - 9.26%	3.27% - 7.14%	3.27% - 13.99%
	Stage 3	33.90%	33.90%	33.90%
Health services and social activities sector - Education services sector - Community services sector, socioculture, entertainment and other individuals	Stage 1	0.05% - 0.93%	0.04% - 0.80%	0.07% - 1.16%
	Stage 2	7.65% - 16.11%	7.00% - 13.78%	8.68% - 19.91%
	Stage 3	32.18%	32.18%	32.18%
Individual services which serve households	Stage 1	0.01% - 1.87%	0.002% - 0.66%	0.14% - 6.37%
	Stage 2	4.86% - 11.17%	2.12% - 2.43%	12.18% - 32.16%
	Stage 3	32.18%	32.18%	32.18%
Limit activities that are not yet clear	Stage 1	0.25% - 0.25%	0.21% - 0.21%	0.32% - 0.32%
	Stage 2	0.06% - 0.99%	0.05% - 0.97%	0.09% - 1.00%
	Stage 3	1.00%	1.00%	1.00%
Accommodation, food and beverages	Stage 1	0.002% - 0.70%	0.001% - 0.22%	0.02% - 2.98%
	Stage 2	2.67% - 17.40%	1.06% - 19.47%	7.91% - 15.19%
	Stage 3	34.05%	34.05%	34.05%
Financial intermediary	Stage 1	0.13% - 7.80%	0.10% - 6.84%	0.19% - 9.41%
	Stage 2	9.99% - 37.38%	8.88% - 32.29%	11.82% - 38.38%
	Stage 3	38.40%	38.40%	38.40%
Wholesale and retail	Stage 1	0.002% - 0.60%	0.001% - 0.37%	0.008% - 1.28%
	Stage 2	2.84% - 10.36%	1.87% - 7.12%	4.98% - 16.58%
	Stage 3	36.58%	36.58%	36.58%
transportation sector. warehousing and communications - electricity gas and water - construction - mining	Stage 1	0.03% - 0.51%	0.01% - 0.24%	0.13% - 1.37%
	Stage 2	2.90% - 9.63%	1.68% - 2.91%	5.85% - 30.13%
	Stage 3	35.02%	35.02%	35.02%
Fishery sector - Agricultural sector. hunting and forestry	Stage 1	0.03% - 0.48%	0.02% - 0.42%	0.03% - 0.52%
	Stage 2	6.66% - 13.93%	6.21% - 12.83%	6.97% - 14.68%
	Stage 3	35.47%	35.47%	35.47%
Real estate. rental business and corporate services	Stage 1	0.04% - 0.85%	0.01% - 0.27%	0.33% - 3.64%
	Stage 2	13.29% - 34.67%	7.12% - 10.23%	26.45% - 55.28%
	Stage 3	55.33%	55.33%	55.33%

Peer group	Scenario	Base	Upside	Downside
Multipurpose Skim	Stage 1	0.01% - 4.00%	0.003% - 3.18%	0.01% - 5.52%
	Stage 2	13.28% - 20.16%	11.51% - 16.55%	16.16% - 26.02%
	Stage 3	39.44%	39.44%	39.44%
Employee loan schemes	Stage 1	0.001% - 6.63%	0.001% - 4.71%	0.002% - 10.43%
	Stage 2	19.37% - 33.46%	15.81% - 24.14%	24.99% - 41.71%
	Stage 3	44.72%	44.72%	44.72%
Al Mabruur loan scheme	Stage 1	0.00% - 0.00%	0.00% - 0.00%	1.00% - 1.00%
	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	0.003% - 2.44%	0.001% - 1.48%	0.016% - 4.68%
	Stage 2	5.05% - 12.96%	3.38% - 5.38%	4.40% - 25.38%
	Stage 3	26.38%	26.38%	26.38%
Energy and Good Stability Loan Scheme	Stage 1	0.04% - 0.04%	0.04% - 0.03%	0.05% - 0.04%
	Stage 2	2.96% - 6.43%	2.87% - 5.50%	3.10% - 8.05%
	Stage 3	12.21%	12.21%	12.21%
Cattle Breeding Business Loan Scheme	Stage 1	0.02% - 21.88%	0.01% - 18.79%	0.03% - 23.98%
	Stage 2	13.97% - 36.82%	11.46% - 30.17%	15.77% - 40.79%
	Stage 3	52.93%	52.93%	52.93%
BPR Linkage Loan Scheme	Stage 1	0.06% - 2.08%	0.06% - 2.08%	0.06% - 2.08%
	Stage 2	13.65% - 41.47%	13.65% - 35.19%	13.65% - 46.40%
	Stage 3	48.92%	48.92%	48.92%
People's Business Loan Scheme	Stage 1	0.007% - 0.11%	0.007% - 0.11%	0.007% - 0.11%
	Stage 2	2.51% - 7.30%	2.51% - 7.01%	2.51% - 7.48%
	Stage 3	17.92%	17.92%	17.92%
PRK Loan Scheme	Stage 1	0.03% - 1.87%	0.01% - 1.25%	0.07% - 3.29%
	Stage 2	8.85% - 24.12%	6.71% - 16.94%	12.86% - 36.06%
	Stage 3	50.19%	50.19%	50.19%
COVID-19 Restructuring Loan Scheme	Stage 1	0.02% - 4.65%	0.02% - 4.88%	0.02% - 4.32%
	Stage 2	22.09% - 50.51%	22.78% - 45.63%	21.05% - 59.32%
	Stage 3	83.22%	83.22%	83.22%

Impairment Evaluation

The following is the risk of financial assets based on the classification of impairment evaluation as of December 31, 2021 and 2020:

Table of Evaluation of Decrease in Demand Deposit Value at Other Banks

(in IDR million)

Description	31 December 2021				31 December 2020			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Rupiah	148,821	-	-	148,821	160,654	-	-	160,654
Foreign currency	62,860	-	-	62,860	77,061	-	-	77,061
Total	211,681	-	-	211,681	237,715	-	-	237,715
Allowance for impairment losses	(238)	-	-	(238)	(53)	-	-	(53)
Net	211,443	-	-	211,443	237,662	-	-	237,662

Table of Evaluation of Impairment of Placement Value at Bank Indonesia and Other Banks

(in IDR million)

Description	31 December 2021				31 December 2020			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Rupiah:								
Placement with Bank Indonesia	8,025,695	-	-	8,025,695	4,528,158	-	-	4,528,158
Interbank call money	1,892,000	-	-	1,892,000	1,0360	-	-	1,0360
Time deposit	-	-	-	-	1,320,500	-	-	1,320,500
Total	9,917,695	-	-	9,917,695	6,884,658	-	-	6,884,658
Allowance for impairment losses	(1,763)	-	-	(1,763)	(795)	-	-	(795)
Net	9,915,932	-	-	9,915,932	6,883,863	-	-	6,883,863

Table of Impairment Evaluation in Value of Securities

(in IDR million)

Description	31 December 2021				31 December 2020			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Rupiah:								
Government Debt Securities	27,085,033	-	-	27,085,033	9,131,468	-	-	9,131,468
Bond	2,071,699	-	-	2,071,699	2,137,493	-	-	2,137,493
State Treasury Letter (SPN)	-	-	-	-	-	-	-	-
Other								
Bank Indonesia Sukuk	541,392	-	-	541,392	-	-	-	-
Bank Indonesia Certificate	-	-	-	-	317,412	-	-	317,412
Interbank Mudharabah Investment Certificate (SIMA)	139,000	-	-	139,000	315,000	-	-	315,000
Negotiable Certificate of Deposit	206,095	-	-	206,095	183,512	-	-	183,512
Medium Term Securities	-	-	-	-	93,188	-	-	93,188
Mutual funds	2,339,000	-	-	2,339,000	2,469,000	-	-	2,469,000
Domestic Letter of Loan	-	-	-	-	19,664	-	-	19,664
Securities sold under a repurchase agreement	-	-	-	-	-	-	-	-
Money orders	6,747	-	-	6,747	-	-	-	-
Foreign currency:								
Export money orders	-	-	-	-	-	-	-	-
Total	32,388,966	-	-	32,388,966	14,666,737	-	-	14,666,737
Allowance for impairment losses	(5,493)	-	-	(5,493)	(8,118)	-	-	(8,118)
Net	32,383,023	-	-	32,383,023	14,658,620	-	-	14,658,620

Table of Evaluation of Impairment of Loan Value Given

(in IDR million)

Description	31 December 2021				31 December 2020			
	Phase 1	Phase 2	Phase 3	Total	Phase 1	Phase 2	Phase 3	Total
Multipurpose loan	22,065,382	44,080	189,543	22,299,005	21,834,716	24,556	105,064	21,964,336
Working capital loan	2,335,341	100,375	628,283	3,063,999	2,617,206	98,288	501,674	3,217,168
Processing industry	818,883	19,370	54,050	892,303	736,497	21,204	54,382	812,082
Employee loan	2,096,595	4,227	23,497	2,124,319	2,128,751	6,808	8,972	2,144,531
Wholesale and retail	1,809,681	127,280	257,577	2,194,538	1,938,392	135,113	230,856	2,304,360
Home Ownership Loans	1,316,894	106,379	286,119	1,709,392	1,455,692	102,357	281,714	1,839,764
Community services. socio-cultural. entertainment and other individuals	1,580,845	7,783	40,464	1,629,092	1,367,786	13,148	40,102	1,421,036
Agriculture. hunting and forestry	897,087	29,202	69,892	996,181	912,886	23,521	56,349	992,756
Financial intermediary	417,828	11,948	20,970	450,746	449,235	15,328	16,424	480,987
Provision of accommodation and provision of food and drink	116,664	7,941	8,706	133,311	157,157	5,097	9,158	171,413
Linkage program	267,732	1	267	267,999	267,595	-	267	267,862
Real estate. rental business and company services	15,743	402	11,116	27,261	24,805	3,945	12,464	41,214
Mining. construction. electricity and transportation	1,496,205	9,299	362,719	1,868,223	3,875,088	5,852	299,685	4,180,625
People's Business Loans	576,342	262	-	576,604	-	-	-	-
Personal services serving households	2,398	382	93	2,873	2,519	119	103	2,741
Not other businesses and households	64,873	13	-	64,886	7,894	-	-	7,894
Activities that have no clear boundaries	-	-	-	-	638	-	-	638
Cattle Breeding Business Loan	-	-	4,036	4,036	-	-	8,478	8,478
Food and Energy Security Loan	-	-	770	770	-	-	851	851
Etc	361	-	-	361	-	-	-	-
COVID-19 Restructuring	2,440,353	80,778	160,161	2,681,292	-	-	-	-
	38,319,207	549,721	2,118,263	40,987,191	35,499,521	366,327	1,084,620	36,950,467
Allowance for impairment losses	(15,807)	(73,110)	(1,659,070)	(1,747,987)	(101,672)	(66,546)	(767,280)	(935,498)
Conventional - Net	38,303,400	476,611	459,193	39,239,204	35,601,193	432,873	317,340	36,014,969

Description	31 December 2021				31 December 2020			
	Not Impaired	Experience Impairment of Value		Total	Not Impaired	Experience Impairment of Value		Total
		Individual	Kolektif			Individu	Kolektif	
Sharia	1,670,823	91,545	-	1,762,368	1,485,184	122,175	-	1,607,359
Allowance for impairment losses	(35,476)	(47,954)	-	(83,430)	(9,301)	(39,543)	-	(48,844)
Sharia - Net	1,635,347	43,591	-	1,678,938	1,475,882	82,633	-	1,558,515
Total, Net	39,938,747	520,202	459,193	40,918,142	39,189,124	487,102	349,819	40,026,045

Table of Movements in Allowance for Impairment Losses Based on Types of Loans Provided

(in IDR million)

Description	31 December 2021				31 December 2020			
	Working capital	Investment	Consumption	Total	Working capital	Investment	Consumption	Total
Balance at the beginning of the year	960,358	239,533	254,830	1,454,721	722,907	175,883	81,344	980,134
Current year allowance	261,450	22,153	149,514	433,117	301,717	70,445	194,510	566,672
Write-off for the current year	(29,587)	(3,807)	(23,027)	(56,421)	(64,263)	(6,794)	(21,028)	(92,085)
Balance December 31	1,192,221	257,879	381,317	1,831,417	960,361	239,534	254,826	1,454,721
Allowance for losses on individually impaired loans	1,179,676	249,657	332,682	1,762,015	823,353	183,774	149,687	1,156,814
Allowance for collective impairment losses on loans that are not impaired	12,545	8,222	48,635	69,402	1378	55,760	105,139	297,907
Balance December 31	1,192,221	257,879	381,317	1,831,417	960,361	239,534	254,826	1,454,721

The table below shows the loan quality per type of financial instrument that is not yet due and is not impaired (excluding allowance for impairment losses):

Table of Loan Quality by Type of Financial Instruments that have not matured and have not experienced a decline in value in 2021

(in IDR million)

Description	31 December 2021				
	Not Due and Not Impaired in Value		Maturity but Not Impaired	Experience Impairment of Value	Total
	High level	Standard Level			
AMORTIZED COST					
Government Securities	15,530,273	-	-	-	15,530,273
Bond	2,071,699	-	-	-	2,071,699
State Treasury Letter (SPN)					
Bank Indonesia Certificate of Deposit	541,392	-	-	-	541,392
Bank Indonesia Certificate					
Interbank Mudharabah Investment Certificate (SIMA)	139,000	-	-	-	139,000
Negotiable Certificate of Deposit	206,095	-	-	-	206,095
Medium Term Notes					
mutual funds	2,339,000	-	-	-	2,339,000
Domestic Letter of Loan					
Capital market securities					
Money orders	6,747	-	-	-	6,747
	20,834,206				20,834,206

Description	31 December 2021				
	Not Due and Not Impaired in Value		Maturity but Not Impaired	Experience Impairment of Value	Total
	High level	Standard Level			
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Government Securities	11,554,760	-	-	-	11,554,760
AMORTIZED COST					
Current Account with Bank Indonesia	8,805,300	-	-	-	8,805,300
Current Account with other Bank	211,681	-	-	-	211,681
Placements with Bank Indonesia and other banks	9,917,695	-	-	-	9,917,695
<i>Reverse repo bill</i>	3,420,685	-	-	-	3,420,685
Other bills	230,019	-	-	-	230,019
Loan given					
Working capital	-	8,520,925	-	1,147,719	9,668,644
Investment	-	5,585,250	-	240,526	5,825,776
Consumption	-	26,727,012	-	528,127	27,255,139
Interest income that will still be received	-	793,900	-	-	793,900
Total	54,974,345	41,627,087	-	1,916,372	98,517,805
Allowance for impairment losses	-	(77,347)	-	(1,787,474)	(1,864,821)
Net	54,974,346	41,549,740	-	128,898	96,652,984

**Table of Loan 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 Desember 2020				
	Not Due and Not Impaired in Value		Maturity but Not Impaired	Experience Impairment of Value	Total
	High level	Standard Level			
AMORTIZED COST					
Government Securities	3,652,490	-	-	-	3,652,490
Bond	8,058,472	-	-	-	8,058,472
State Treasury Letter (SPN)	-	-	-	-	-
Bank Indonesia Sukuk	-	-	-	-	-
Bank Indonesia Certificate	317,412	-	-	-	317,412
Interbank Mudharabah Investment Certificate (SIMA)	-	-	-	-	-
<i>Negotiable Certificate of Deposit</i>	183,512	-	-	-	183,512
Medium Term Notes	205,187	-	-	-	205,187
Mutual Funds	2,230,000	-	-	-	2,230,000
Domestic Letter of Loan	-	-	-	-	-
Capital market securities	-	-	-	-	-
Money order	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

Description	31 Desember 2020				
	Not Due and Not Impaired in Value		Maturity but Not Impaired	Experience Impairment of Value	Total
	High level	Standard Level			
AMORTIZED COST					
Current Account with Bank Indonesia	3,659,968	-	-	-	3,659,968
Current Account with other Bank	237,715	-	-	-	237,715
Placements with Bank Indonesia and other banks	6,884,658	-	-	-	6,884,658
<i>Reverse repo billing</i>	12,573,044	-	-	-	12,573,044
Other bills	131,932	-	-	-	131,932
Loan 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 that 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

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 2021 and 2020:

Table of Average Annual Contractual Interest Rates for Significant Financial Assets and Liabilities

(in %)

Description	31 December 2021		31 December 2020	
	Rupiah	United States Dollar	Rupiah	United States Dollar
ASSET				
Current Account with Bank Indonesia	0.00%	0.00%	2.67%	0.00%
Current accounts with other banks	0.03%	0.02%	0.06%	0.02%
Placements with Bank Indonesia and other banks	3.00%	0.03%	4.50%	0.00%
Securities	7.67%	0.00%	6.36%	0.00%
Securities sold under a repurchase agreement	0.00%	0.00%	0.00%	0.00%
Securities purchased under an agreement to be resold	3.50%	0.00%	4.43%	0.00%
Loan given	10.50%-12.75%	0.00%	0.75% - 21.57%	0.00%
LIABILITIES				
Deposits from customers	0.00%-3.00%	0.00%-0.25%	0.00% - 5.25%	0.00% - 0.60%
Deposits from other banks	0.31%-3.22%	-	0.00% - 6.50%	-

The following table summarizes the Bank's exposure to interest rate risk (gross) which may impact future cash flows as of 31 December 2021 dan 2020:

Table of Bank Exposure to Interest Rate Risk (Gross) in 2021

(in IDR million)

Description	31 December 2021					
	Floating Interest Rates					Total
	Not More Than 3 Months	3 Months But Not More Than 1 Year	1 Year and Over	Fixed Interest Rate	Not subject to interest	
FINANCIAL ASSETS						
Cash	2,023,077	-	-	-	-	2,023,077
Current Account with Bank Indonesia	8,805,300	-	-	-	-	8,805,300
Current accounts with other banks	211,443	-	-	-	-	211,443
Placements with Bank Indonesia and other banks	9,915,932	-	-	-	-	9,915,932
Securities						
Amortized cost	6,022,859	2,579,296	12,226,108	-	-	20,828,263
Fair value through other comprehensive income	11,554,760	-	-	-	-	11,554,760
Securities sold under a repurchase agreement						
Securities purchased under an agreement to be resold	3,420,685	-	-	-	-	3,420,685
Other bills	230,019					230,019
Loan granted						
Working capital	-	-	-	9,668,644	-	9,668,644
Investment	-	-	-	5,825,776	-	5,825,776
Consumption	-	-	-	27,255,139	-	27,255,139
Interest income that will still be received	14,497	35,352	744,051	-	-	793,900
Total financial assets	42,198,572	2,614,648	12,970,159	42,749,559	-	100,532,938
FINANCIAL LIABILITIES						
Immediate liabilities	593,875	-	-	-	-	593,875
Deposits from customers						
Current Account	25,976,409	-	-	-	-	25,976,409
Savings	24,898,778	-	-	-	-	24,898,778
Time deposit	-	-	-	32,326,680	-	32,326,680
Deposits from other banks	4,186,840	1,060	-	-	-	4,187,900
Loans received	-	578,795	-	-	76,493	655,288
Accrued expenses	478,647	-	-	-	-	478,647
Other Liabilities	529,738	-	-	-	-	529,738
Total financial liabilities	56,664,287	579,855	-	32,326,680	76,493	89,647,315
Interest Rate Gap Repricing, Net	(14,465,715)	2,034,793	12,970,159	10,422,879	(76,493)	10,885,623

Table of Bank Exposure to Interest Rate Risk (Gross) in 2020

(in IDR million)

Description	31 December 2021					
	Floating Interest Rates					Total
	Not More Than 3 Months	3 Months But Not More Than 1 Year	1 Year and Over	Fixed Interest Rate	Not subject to interest	
FINANCIAL ASSETS	-	-	-	-	-	-
Cash	2,511,548	-	-	-	-	2,511,548
Current Account 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
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
Loan granted						
Working capital	-	-	-	8,599,890	-	8,599,890
Investment	-	-	-	6,050,860	-	6,050,860
Consumption	-	-	-	26,830,016	-	26,830,016
Interest income that 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
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 deposit	-	-	-	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

The following table shows the sensitivity to a possible one-point change in a reasonable percentage of interest rates. All other variables are held constant in the Bank's statement of profit or loss and other comprehensive income. The sensitivity of complete income information is the impact of changes in interest rate assumptions on the idea of profit or loss and other comprehensive income during the period. The sensitivity of the total profit or loss is based on the belief that there is a parallel shift in the yield curve.

Table of Sensitivity to Possible Changes

(in IDR million)

Description	31 December 2021	
	Increase	Decrease
The effect on the statement of profit or loss and other comprehensive income	75,967	(75,967)

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 2021	31 December 2020
Cash and cash equivalents	20,957,753	13,293,889
Securities sold under a repurchase agreement	-	-
Reverse repo billing	3,420,685	12,573,044
Deposits from other banks	4,187,900	(2,855,604)
Total	28,566,338	23,011,329
deposits from customers	83,201,867	68,468,280
Ratio of net liquid assets to deposits from customers	34.33%	33.61%

The following maturity table provides information regarding the estimated remaining maturities of financial assets and liabilities (principal only) as of December 31 2021 dan 2020:

Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Principal Only) Year 2021

(in IDR million)

Description	31 December 2021					
	Recorded Value	Less than 1 month	1- 3 months	3 - 6 months	6 - 12 months	More than 12 months
FINANCIAL ASSETS						
Cash	2,023,077	2,023,077	-	-	-	-
Current Account with Bank Indonesia	8,805,300	1,781,878	-	-	-	7,023,422
Current accounts with other banks	211,443	211,443	-	-	-	-
Placements with Bank Indonesia and other banks	9,915,932	9,313,829	290,619	252,644	39,861	18,979

Description	31 December 2021					
	Recorded Value	Less than 1 month	1- 3 months	3 - 6 months	6 - 12 months	More than 12 months
Securities						
Amortized cost	20,828,263	3,404,795	2,618,064	1,668,261	911,035	12,226,108
Fair value through other comprehensive income	11,554,760	10,536,388	1,018,372	-	-	-
Securities sold under a repurchase agreement	-	-	-	-	-	-
Securities purchased under an agreement to be resold	3,420,685	3,420,685	-	-	-	-
Other bills	230,019	230,019	-	-	-	-
Loan granted						
Working capital	8,476,424	969,980	624,357	1,344,396	1,894,283	3,643,408
Investment	5,567,896	115,976	3,395	7,582	23,170	5,417,773
Consumption	6,873,822	21,785	16,361	53,678	238,264	26,543,734
Interest income that will still be received	793,900	2,628	11,869	17,399	17,953	744,051
Total	98,701,521	32,032,483	4,583,037	3,343,960	3,124,566	55,617,475
FINANCIAL LIABILITIES						
Immediate liabilities	593,875	593,875	-	-	-	-
Deposits from customers	83,201,867	12,511,223	19,267,011	4,511,689	3,899,151	43,012,793
Deposits from other banks	4,187,900	4,043,920	142,920	60	1,000	-
Loans received	655,288	257,993	-	7,410	-	389,885
Accrued expenses	478,647	478,647	-	-	-	-
Other Liabilities	529,738	529,738	-	-	-	-
Total	89,647,315	18,415,396	19,409,931	4,519,159	3,900,151	43,402,678
Difference in maturity	9,054,206	13,617,087	(14,826,894)	(1,175,199)	(775,585)	12,214,797

Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Principal Only) in

(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 Account 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	20	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	-	-	-	-
Loan granted						
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 that 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

Description	31 December 2020					
	Recorded Value	Less than 1 month	1- 3 months	3 - 6 months	6 - 12 months	More than 12 months
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	10	-
Loans received	631,355	239,680	14,084	35,292	-	342,299
Accrued expenses	484,930	484,930	-	-	-	-
Other Liabilities	596,631	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

Material Commitment For Capital Goods Investment

Bank Jatim does not have material commitments for investment in capital goods in 2021. Therefore, there is no information regarding the Name of the party making the bond, Purpose of the bond, Source of funds expected to fulfill the commitment, Currency of denomination, and Steps planned by the Bank to protect the risk from the related foreign currency position.

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 2021	Value in 2020
Land, buildings, and complementary facilities	1,037,910	1,107,256
Inventory	471,237	127,953
Motor vehicle	33,419	22,117
Total	1,542,566	1,257,326

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 Regarding Investment, Expansion, Divestment, Business Merger/Consolidation, Acquisition, Debt/Capital Restructuring

Throughout 2021, Bank Jatim did not carry out investment, expansion, divestment, business merger/consolidation, acquisition, debt/capital restructuring

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	2021	2020
COMMITMENT		
Commitment Claims		
Rupiah:		
Others	908,956	878,336
Commitment liability		
Rupiah:		
Unused loan facilities granted to debtors	3,181,980	3,727,461
Total Net	2,273,024	2,849,125
CONTINGENCIES		
Contingent claims		
Rupiah:		
Interest income in progress	195,337	154,952
Others	13	13
Amount of contingent claims	195,350	154,965
Contingent liabilities		
Rupiah:		
Bank guarantee provided	1,118,753	1,019,602
Foreign currency		
Bank guarantee provided and revocable L/C	42,758	42,150
Amount of contingent liabilities	1,161,511	1,061,752
Total contingent liabilities, net	966,161	906,787
Total commitment and contingent liabilities, net	3,239,185	3,755,912

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

Even though economic conditions are starting to show signs of recovery, prospects for further global economic recovery are expected to vary between countries, depending on the distribution

and availability of access to vaccinations, as well as accelerated normalization of monetary policy at several central banks and rising geopolitical tensions. However, global economic conditions are expected to continue, supported by increased vaccination coverage and continued expansionary fiscal policy.

The momentum of global economic improvement is also expected to occur in the national economy, which is expected to continue in 2022 in line with the recovery process of domestic economic activity, although the increase in cases of COVID-19, the Omicron variant, needs to be watched out for. Meanwhile, the capacity and development of the financial services sector in 2022 will still depend on the sentiment of economic recovery and the resolution of COVID-19. The performance of the financial and banking services industry in 2022 is estimated as follows:

Table of Projected Growth of Financial Services and Banking Sector Performance in 2022

Performance Components	Institute	
	Financial Services Authority (OJK)*	Bank Indonesia**
Loan	± 9.27%	7.00% - 9.00%
Third Party Fund	± 9.04%	-

Source: * Statement of the Chairman of the OJK Board of Commissioners from infobanknews.com June 2021;
** Statement of the Governor of Bank Indonesia from Finansial.bisnis.com July 2021.

Considering this, the Bank's policies and strategic steps are directed at increasing business growth after the COVID-19 pandemic recovery, improving and optimizing the information technology sector focusing on the following internal advantages:

1. The digital banking technology infrastructure is sufficient to compete with the industry by utilizing the shifting behavior of the people in the use of technology, as well as the demographic landscape of the population which is dominated by millennials.
2. Good relationship and synergy with various related parties, including the Bank's shareholders.
3. The Bank's resilience and capital adequacy are relatively high.
4. Optimizing the role of the Bank's office network that extends to the islands of East Java Province, as well as the Jakarta and Batam areas.

By utilizing its internal advantages, Bank Jatim is optimistic that it has good prospects in the future. Therefore, the formulation of the Bank's business development strategy in 2022 is focused on the following:

1. Loans/financing activities, especially to the productive and potential economic sectors, are balanced with the development and improvement of infrastructure supporting business activities (improvement of provisions and supporting technology) while still taking into account the principles of prudential banking.
2. Optimization and improvement of information technology-based products and services while still paying attention to the principles of prudential banking and security.
3. Market expansion and deepening in order to increase business and achieve financial inclusion by improving services and optimizing the role of networks, including smart behavior agents.
4. Utilization of strategic projects, in order to encourage economic growth and improve business performance through productive lending to strategic sectors and MSMEs, especially in East Java Province.
5. Expansion and improvement of cooperation with various parties, in the context of increasing business in the fields of funds and loan/financing.

6. Maintain good relations with customers, especially shareholders, by providing full support to government programs and playing an active role in strategic projects, especially in East Java Province.
7. Management of third party funds in the context of optimizing the CASA ratio, as well as optimizing the role of the Treasury.

Achievement of Targets and Future Targets

Target Achievement

In general, Bank Jatim's target achievement in 2021 has shown promising results. Descriptions related to comparing financial targets and realization, capital structure, marketing, and HR development are presented as follows.

Target Comparison and Financial Realization

The achievement of total assets managed to exceed the target of 114.46%, Third Party Funds and deposits from other banks also exceeded the target of 112.43% and 158.14%, respectively. On the one hand, loans extended reached 94.44%.

In terms of income, the achievement of interest income was slightly below the set target of 98.48%. Operating income other than interest managed to exceed the target set at 118.06%. However, profit for the year managed to exceed the target set at 111.38%.

The achievement of the CAR ratio was 102.73%. However, RoA and RoE managed to exceed the target by 101.37% and 108.26%, respectively. Bank Jatim also succeeded in implementing efficiency during 2021; this could be seen in the position of the BOPO ratio at the end of the year which was below the set target of 75.95% of the target of 76.40%. In the future, Bank Jatim always carried out the implementation of the strategies that had been set, so that the financial performance of Bank Jatim in the future would continue to experience continuous improvement.

Table of Comparison of Bank Business Plans and Financial Realizations 2021

(in IDR million)

Description	Realization 2021	Target 2021	Achievement
1	2	3	4=2/3
FINANCIAL POSITION			
Asset	100,723,330	88,000,000	114.46%
Loans Granted	42,749,559	45,267,237	94.44%

	Human Capital	Information Technology	Corporate Governance	Corporate Social Responsibility
Description	Realization 2021	Target 2021	Achievement	
1	2	3	4=2/3	
Deposits from customers	83,201,867	74,005,000	112.43%	
Current Account	25,976,410	23,095,000	112.48%	
Savings	24,898,776	25,003,000	99.58%	
Time deposit	32,326,681	25,907,000	124.78%	
Deposits from other banks	2,103,681	1,330,288	158.14%	
Loans Received	655,288	1,115,446	58.75%	
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Interest income and net sharia	6,581,447	6,682,991	98.48%	
Other operating income	884,894	749,533	118.06%	
Current year profit	1,937,973	1,740,000	111.38%	
FINANCIAL RATIO (%)				
Capital Adequacy Ratio (CAR)	23.52%	22.90%	102.73%	
Non Performing Loan (NPL) Gross *Convensional	4.48%	3.64%	-	
Return on Assets (RoA)	2.05%	2.02%	101.37%	
Return on Equity (RoE)	17.26%	15.94%	108.26%	
Net Interest Margin (NIM)	5.11%	5.11%	100.00%	
Operating Expenses Operating Income (BOPO)	75.95%	76.40%	100.60%	
Loan to Deposit Ratio (LDR)	51.38%	61.17%	84.00%	

Target Comparison and Capital Structure Realization

Total core capital and supplementary capital reached 99.16%. In terms of Risk-Weighted Assets (RWA), there is one risk that exceeds the target of 113.34%, namely Operational Risk-Weighted Assets (RWA).

The capital adequacy ratio reached 102.73%, 23.52% of the target set at 22.90%. The Bank's core capital ratio has been fulfilled from the Financial Services Authority Regulation (POJK) minimum limit of 22.53% and reached 102.89%; this certainly exceeds the set target of 21.89%. Minimum Capital Adequacy Ratio for Loan, Operational and Market Risks reached 102.73%, which is 23.52% of the set target of 22.90%

Table Comparison of Target and Realization of Capital Structure 2021

(in IDR million)

Description	Realization 2021	Target 2021	Achievement
1	2	3	4=2/3
Core Capital	9,297,192	9,361,013	99.32%
Complementary Capital	415,071	433,959	95.65%
Total Core and Supplementary Capital	9,712,263	9,794,972	99.16%
Risk Weighted Assets (RWA) For Credit Risk	32,790,641	34,282,796	95.65%
Risk Weighted Assets (RWA) for Operational Risk	98,936	87,294	113.34%
Risk Weighted Assets (RWA) For Market Risk	8,397,351	8,403,548	99.93%
CAPITAL ADEQUACY RATIO (%)	23.52%	22.90%	102.73%
Core Capital Ratio	22.52%	21.89%	102.89%
Capital Adequacy Ratio for Credit and Operational Risk	23.58%	22.95%	102.76%
Capital Adequacy Ratio for Credit, Operational and Market Risks	23.52%	22.90%	102.73%

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	2021 Realization	Information
1.	Satu Rekening Satu Pelajar (KEJAR)	Bank Jatim collaborates with the District/City Education Office and schools in East Java for the One Student One Account Program (KEJAR)	Achieved
2.	Laku Pandai Optimization	<p>a. Development of Laku Pandai Generai 2 (two) with new features including transfers to other banks, purchases and payments.</p> <p>b. Additional benefits for Laku Pandai agents through the BPJS Ketenagakerjaan's National Movement for the Protection of Vulnerable Workers (GN Circle)..</p>	<p>Agent revenue was still 61% which was caused by several obstacles, including the following:</p> <p>a. The pandemic resulted in decreased community mobility so that it was affected by a decrease in the number of transactions at agents.</p> <p>b. Additions and changes to agent applications by the IT Division that had an impact on agent services and systems.</p> <p>c. Unequal distribution of Branch targets to its network and lack of strategy for achieving it</p> <p>The strategies carried out were:</p> <p>a. Socialization by both the head office and branches to the network below.</p> <p>b. Routine or periodic monitoring and evaluation to Branch fostered agents.</p> <p>c. Rewards need to be in the form of:</p> <ul style="list-style-type: none"> - Provision of fees for opening accounts and deposit transactions - Gathering to get closer to a mutually beneficial partnership for both parties. <p>d. Improvements and additions to Agent features and applications to make it easier and more competitive with applications belonging to other Bank Agents.</p> <p>e. NOA Earnings 89%</p> <p>f. Nominal reached the target.</p>
3.	Optimization of Non-Cash Financial Services with Local Governments	<p>a. Bank Jatim provided digital services for paying regional taxes and levies: Virtual Account and QRIS</p> <p>b. Bank Jatim collaborated in paying regional taxes and levies with local governments in regencies/cities in East Java, so that conventional payments were replaced with online payments through Bank Jatim.</p> <p>c. Bank Jatim facilitated the expansion of regional revenue receipts through collaboration with marketplaces or fintech: Gopay, Tokopedia, Indomaret, Alfamart, LinkAja, Bukalapak, OVO, BliBli.</p> <p>d. Bank Jatim together with the Corruption Eradication Commission (KPK) were committed to supporting the monitoring program for regional revenue deposits through the provision of tapping boxes.</p> <p>e. Managing regional expenditures optimally by using online SP2D and internet banking.</p> <p>f. Optimizing the absorption of non-cash assistance through opening an account or using a virtual account based on verification according to the beneficiary.</p>	
4.	Financial Services Cooperation with Hospitals in the East Java Region	<p>a. Bank Jatim continued to strive to establish cooperation with regional and private hospitals in East Java to improve fund management from the current account.</p> <p>b. In 2021, Bank Jatim established a new collaboration with several hospitals including DR Abdoer Rahem Situbondo Hospital, Kanjuruhan Hospital Malang Regency, Genteng Hospital Banyuwangi Regency, Karsa Husada Hospital Batu City, Soegiri Hospital Lamongan Regency, DR. R. Sosodoro Djatikoesoemo and RSUD Ibnu Sina Gresik.</p> <p>c. In addition, one of the Bank Jatim Branch Offices, namely the Sumenep Branch, collaborated with the Sumenep Regency Health Office regarding Financial Services for all Puskesmas (Community Health Centers) in Sumenep Regency.</p> <p>d. Bank Jatim continued to strive to establish cooperation with regional and private hospitals in East Java for the implementation of virtual account services in paying for hospital services.</p>	

No	Description Target	2021 Realization	Information
5.	Collaboration with schools, universities and Islamic boarding schools	<p>In 2021, the Bank Jatim Branch Office established new collaborations in financial services with educational institutions, including the following:</p> <ul style="list-style-type: none"> - University of Muhammadiyah Malang (UMM) regarding payment facilities through virtual accounts. - STAI Hasan Jufri Bawean regarding payment of tuition fees on a non-host-to-host basis. - STESIA Surabaya regarding financial services. - STKIP PGRI Jombang regarding payment facilities via virtual accounts. - SMAN 2 Lumajang about financial services (virtual account) - Namira School Foundation regarding payment facilities through virtual accounts. - Merdeka University Foundation Malang regarding the implementation of banking services. - Merdeka University Foundation Malang regarding financial services for paying employee salaries through the payroll system. - Merdeka University Foundation Malang regarding payment facilities through virtual accounts. - SDIT Permata Kraksaan regarding payment facilities via virtual accounts. - Al Mashduqiah Foundation regarding financial services for paying tuition fees through virtual account facilities. - The Education and Culture Office of Sidoarjo Regency regarding the Distribution of Regional School Operational Assistance Funds (BOSDA) to SD, MI, SMP, MTS and Public/Private SLB Institutions in Sidoarjo Regency. - Yayasan Pendidikan Ma'arif NU Benjeng Gresik regarding the payment of employee salaries through the payroll system. - Yayasan Pendidikan Ma'arif NU Benjeng Gresik regarding the facility for paying tuition fees through virtual accounts. - Surabaya City Government and Private Middle School Education Institutions in Surabaya City regarding educational scholarships for students from low-income communities. - Madrasah Tsanawiyah Ma'arif Daruttaqwa regarding SPP payment facilities via virtual acco. - SMA Negeri Taruna Nala Malang City regarding the facility for paying tuition fees through a virtual account. - SMA Negeri Taruna Nala Malang City regarding the payment facilities for temporary employees through the payroll system. - Wachid Hasyim Foundation Surabaya regarding tuition fee payment facilities and financial activities through virtual accounts. - SMK Negeri 1 Lamongan regarding payment facilities through virtual accounts. - Sunan Drajat Islamic Boarding School regarding payment facilities through virtual accounts. - SDIT Nurul Islam Klakah, Lumajang Regency regarding payment facilities via virtual accounts on a non Host to Host (H2H) basis. - SDIT Mutiara Ilmu Bangkalan regarding financial services for the purpose of paying tuition fees through virtual account facilities. - SMAN 1 Kepanjen on Non Host to Host Financial Services. - SMPN 4 Kepanjen regarding online School Operational Contribution (SOS) payment financial services and other school financial activities through virtual account facilities. - Barunawati Biru Surabaya Foundation regarding student tuition payment services through virtual accounts. - SMAN 2 Jombang regarding donation payment services through virtual account facilities. - Nurul Jadid University regarding financial services for paying tuition fees through virtual account facilities. - SMK Kal 2 Surabaya regarding online tuition payment financial services through virtual accounts. - SMPIT Permata Kraksaan regarding education payment financial services through virtual account facilities. - Bahrul Ulum Foundation Pelemwatu Menganti Gresik regarding tuition payments through virtual accounts and salary payments through Bank Jatim payroll. - Safinda Foundation regarding virtual account facilities and payment of salaries through payroll. - Bank Jatim signed a memorandum of understanding with the leadership of the East Java Nahdlatul Ulama region with the scope of cooperation, namely payment of education fees through virtual accounts and payroll for employees' salaries for institutions under the leadership of the East Java Nahdlatul Ulama region. 	

No	Description Target	2021 Realization	Information						
6.	Exploring the potential of private current accounts customers	<p>a. Due to the COVID-19 pandemic, Bank Jatim reduced the number of face-to-face meetings, but maintenance of existing associations and several entrepreneurs was still being carried out.</p> <p>b. A mapping of the potential of private current account customers in each Regency/City was carried out, especially factories and entrepreneurs.</p> <p>c. In 2021, the Bank Jatim Branch Office established a new collaboration in financial services with the Metropolis Apartment Management Agency located in Surabaya.</p>							
7.	Implementation of Cooperation with BPJS Employment	<p>a. The Cooperation Agreement was signed by both parties Number: PER/84/062021 and Number: 060/097/DIR/DJS/PKS.</p> <p>b. BPJS Ketenagakerjaan opened 5 checking accounts for contribution receipts and 1 checking account for BUBM payments.</p> <p>c. Through this collaboration, Bank Jatim customers could pay BPJS Employment contributions through virtual accounts and Electronic Payment System (EPS) which could be paid through tellers, ATMs and J-Connect Mobile Bank Jatim.</p> <p>d. Bank Jatim provided guarantee payment services to BPJS Employment Participants.</p>							
8.	Implementation of cooperation with GoPay (PT Dompot Anak Bangsa)	<p>a. PT Dompot Anak Bangsa opened a Giro account at Bank Jatim as an operational account for GoPay Services through the GoBills feature.</p> <p>b. In 2021, there was additional tax payment services through GoPay including: East Java Province PKB, Tulungagung Regency PBB, Kediri City PBB, Gresik Regency PBB, Situbondo Regency, Probolinggo City PBB, Batu City PBB, Malang City PBB, Blitar City PBB, PBB Jember Regency, United Nations for Ponorogo Regency, United Nations for Surabaya City, United Nations for Sidoarjo Regency, United Nations for Mojokerto City, United Nations for Lamongan Regency, United Nations for Banyuwangi Regency, United Nations for Bojonegoro Regency.</p> <p>c. In the process of expansion for the PBB (Building and Land Tax) Ngawi Regency, PBB for Tuban Regency, PBB for Mojokerto Regency, PBB for Malang Regency, PBB for Bondowoso Regency, PBB for Kediri Regency, PBB for Nganjuk Regency.</p> <p>d. Approaches to other Regency/City Governments as a platform payment of regional taxes and levies through GoPay.</p>							
9.	Optimization of Cooperation with PT ASABRI (Persero)	<p>a. Bank Jatim sought to optimize cooperation with PT ASABRI (Persero) with the following achievements:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Number of Retirees</th> <th>Fund Amount</th> </tr> </thead> <tbody> <tr> <td>December 2021</td> <td>842</td> <td>IDR 1,664,911,500</td> </tr> </tbody> </table> <p>b. In 2021, along with the extension of the cooperation period, Bank Jatim and PT ASABRI (Persero) agreed to add a new collaboration related to the Payment of Benefits of the ASABRI Insurance Program. The Cooperation Agreement had been signed by both parties Number: SPKS/HK.02/76-AS/VII/2021 and Number: 060/101/DIR/DJS/PKS.</p>	Period	Number of Retirees	Fund Amount	December 2021	842	IDR 1,664,911,500	
Period	Number of Retirees	Fund Amount							
December 2021	842	IDR 1,664,911,500							
10.	One Student One Account (OSOA)	<p>a. The joint commitment was signed in November 2019 and was followed up by all parties.</p> <p>b. Bank Jatim continued to coordinate with the Education Office of East Java Province, Regional Office of the Ministry of Religion of East Java Province and FSA Regional Office IV for the implementation of OSOA program activities in 2021.</p> <p>c. Bank Jatim together with the Education Office, Ministry of Religion and FSA held a Webinar for students with material related to the Culture of Saving or the Benefits of Saving. The activity was held in July - August 2021.</p> <p>d. Bank Jatim participated in a competition program organized by FSA, namely a photography competition which was participated by schools with the theme Love to Save</p> <p>e. The Bank Jatim Branch Office sought to approach and coordinate with the Education Office in each Regency/City regarding the OSOA program and to approach schools directly to open student accounts.</p> <p>f. As a series of webinar activities, Bank Jatim opened accounts for 45 thousand students from SMA, SMK, SMP and MA levels.</p> <p>g. Bank Jatim cooperated with opening student savings accounts with several schools in 2021 including:</p> <ul style="list-style-type: none"> - Batu Branch cooperation with SMAN 3 Batu. - Cooperation of Batam Branch with SMAN 24 Batam. 							

No	Description Target	2021 Realization	Information										
		<p>h. In 2021, Bank Jatim and the Regional Leadership of the Muslimat Nahdlatul Ulama East Java Province agreed to optimize the ongoing cooperation in the form of Opening a Student Savings Account One Account One Student (KEJAR) for educational institutions under the auspices of the Regional Leadership of Muslimat Nahdlatul Ulama East Java Province.</p> <p>i. Bank Jatim signed a Memorandum of Understanding with the East Java Nahdlatul Ulama Regional Leader with one of the scopes of the collaboration, namely the Opening of Student Savings Accounts for schools under the auspices of the East Java Nahdlatul Ulama Regional Leader.</p> <p>j. The following is the achievement data for student account ownership as of December 2021:</p> <table border="1" data-bbox="475 633 1002 719"> <thead> <tr> <th>Description</th> <th>2021</th> <th>2020</th> <th>Δ</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Simpel Savings</td> <td>61,275</td> <td>50,945</td> <td>10,330</td> <td>16.86%</td> </tr> </tbody> </table>	Description	2021	2020	Δ	%	Simpel Savings	61,275	50,945	10,330	16.86%	
Description	2021	2020	Δ	%									
Simpel Savings	61,275	50,945	10,330	16.86%									
11.	Optimizing QRIS Implementation	<p>a. Bank Jatim continued to make efforts to acquire QRIS merchants so that in December 2021, QRIS installed on Merchant reached 31,365.</p> <p>b. In addition, Bank Jatim sought to establish cooperation with local governments and private institutions for the use of QRIS, including the following:</p> <ul style="list-style-type: none"> - Cooperation of the Malang Branch with the Malang City Transportation Service for Receiving Retribution Services for Special Parking Places. - Cooperation of the Ngawi Branch with the Ngawi Regency Transportation Service for Payment Services for Motor Vehicle Testing Retribution. - Cooperation of the Batu Branch with the Batu City Transportation Service for Receiving Retribution Services for Special Parking Places. - Cooperation of the Malang Branch with the Malang City Transportation Service for Payment Services for Motor Vehicle Testing Retribution. - Cooperation between the Blitar Branch and the Blitar City Transportation Service for Payment Services for Motor Vehicle Testing Fees. - Cooperation of the Sumenep Branch with the Sumenep Regency Transportation Office for Payment Services for Motor Vehicle Testing Fees - Cooperation of the Sumenep Branch with PT Sumekar (Perseroda) for the PT Sumekar Ship Online Ticket Service. - Cooperation of the Mojokerto Branch with the Mojokerto City Investment and One Stop Integrated Service for Retribution Payment Services for Local Revenue. - Cooperation of the Mojokerto Branch with the Mojokerto City Transportation Service for Payment Services for Motor Vehicle Testing Retribution. - Cooperation of the Lamongan Branch with the Department of Industry and Trade of the Lamongan Regency for Lamongan Marketplace Transaction Payment Services (LALA). - Cooperation of the Trenggalek Branch with the Tourism and Culture Office of Trenggalek Regency for Payment Services for Entrance Tickets to Tourist Objects Through E-Ticketing. - Cooperation of the Jember Branch with the Jember Regency Transportation Service for Online Motor Vehicle Testing Retribution Payment Services. - Cooperation of the Lumajang Branch with the Lumajang Regency Transportation Service for Non-Cash Motor Vehicle Testing Retribution Receipt Services through QRIS. - Cooperation with Deka Hotel for hotel payment services. - Cooperation of the Banyuwangi Branch with the Regional Revenue Agency of Banyuwangi Regency regarding the Provision of Financial Services in the Framework of Receiving Payments and Book-entry of Regional Tax Revenues and Regional Levies for Banyuwangi Regency. - Cooperation of the Kepanjen Branch with the Malang Regency Government on Financial Services in the Context of Payment of Retribution for Sports and Recreation Facilities through Electronic Systems in Malang Regency. - Cooperation of the Lumajang Branch with the Lumajang Regency Government regarding the Electronification of Receipts for Retribution for Waste Services. - Cooperation of the Bojonegoro Branch with the Regional General Hospital Dr. R. Sosodoro Djatikoesoemo regarding Financial Services for Payment of Health Services through Virtual Account Facilities and QRIS. 											

No	Description Target	2021 Realization	Information
		<ul style="list-style-type: none"> - Cooperation of the Jember Branch with PT Rolas Nusantara Medika RSU Kaliwates regarding Joint Promos and Non-Cash Payment Services Through QRIS. - Cooperation of the Main Branch with the East Java Provincial Transportation Service, East Java Provincial Organda and PT Jaring Application Solutions regarding the Implementation of the Road Transport Ticket Digitization Program and Cashless/ Cashless Payments in the East Java Province. - Cooperation of the Main Branch with the East Java Province Bus PO and PT Jaring Solusi Application regarding the Road Transport Ticket Digitization Program and Non-Cash/Cashless Payment Electronification in the East Java Province. - Cooperation of the Main Branch with the East Java Provincial Transportation Service regarding the Jaklan Transportation Ticket Digitization Program and Non-Cash/Cashless Payment Electronification. <p>c. Bank Jatim Promo Program with Deka Hotel in the form of a 30% discount on hotel room rental for all Bank Jatim customers who made transactions using QRIS and other Bank Jatim e-channels. The promo fee was borne by Deka Hotel.</p>	
12.	Event Promo: East Java Priority Community (Cooking Class, Sport & Music etc)	<p>The following events were held for several priority East Java communities:</p> <p>a. Event with the health community through an online webinar together with the JEC Java Eye Clinic. Promoting East Java Priority with the technology community in the form of giving discounts for purchasing S21 Series and Iphone 12 Series cellphones in collaboration with Apollo Gadget Store.</p>	
13.	Promo Event: Implementation of the Jatim Garage event (Millennial event)	Had been implemented in March 2021	
14.	Event Promo: Sponsorship event (Surabaya Marathon, Jazz Traffic, etc.)	<p>a. Bank Jatim Sponsorship Participation in the 2021 Millennial Festival organized by Bakorwil Malang.</p> <p>b. Bank Jatim Sponsorship Participation in Jazz Gunung 2021 activities organized by Jazz Gunung Indonesia.</p> <p>c. Bank Jatim Sponsorship Participation in BSC Racing Machine, MPR Cup Series Drag Race and Drag Bike activities organized by BSC Racing Machine, MPR Cup Series Drag Race and Drag Bike.</p> <p>d. Bank Jatim Sponsorship Participation in the commemoration of National Transportation Day organized by the East Java Provincial Transportation Service.</p> <p>e. Bank Jatim Sponsorship Participation in Malang International Coffee Day activities organized by the Nyangkruk Kopi Community.</p> <p>f. Bank Jatim Sponsorship Participation in the Kediri Dholo Kom Challenge 2021 activities.</p> <p>g. Bank Jatim Sponsorship Participation in the Provincial Championship (Kejurprov) of the Indonesian Cycling Association of East Java 2021.</p> <p>h. Bank Jatim Sponsorship Participation in Surabaya Fashion Week 2021 activities.</p>	
15.	Simpeda Lottery Program and Siklus Lottery	<p>a. The Simpeda Bank Jatim Lottery was held in Surabaya City in November 2021 with a hybrid mechanism which was attended by the Governor of East Java, Forkopimda of East Java Province, Priority Customers of Bank Jatim and internal Bank Jatim.</p> <p>b. During the Simpeda Lottery, Bank Jatim awarded OPD and non-OPD with the most Simpeda Savings holdings for the October 2021 period.</p> <p>c. The Bank Jatim Cycle Lottery was held in March 2021.</p>	
16.	Cooperation with the Social Service of East Java Province	<p>a. In 2021, Bank Jatim distributed funds for the Social Security Program for the Elderly for 50,000 recipients with a total aid fund of IDR 100 billion which was disbursed in 4 stages during 2021. Until December 2021, Bank Jatim distributed funds of IDR 76,033,500,000.</p> <p>b. In 2021, Bank Jatim distributed aid funds for the Out-of-Panti Disability Program with a total aid fund of IDR 14,400,000,000. Until December 2021, Bank Jatim distributed funds of IDR 10,925,100,000.</p> <p>c. Until December 2021, Bank Jatim distributed funds for the Social Assistance Program at the Child Welfare Institutions (LKSA) of IDR 511,000,000.</p>	

No	Description Target	2021 Realization	Information
17.	Cooperation Agreement with State Asset Management Institution (LMAN)	LMAN placed funds in the form of deposits at Bank Jatim with funds as of December 2021 reaching IDR 1,054,422,310,492	
18.	Cooperation with PT Asuransi Jiwa Taspen (Taspen Life)	PT Asuransi Jiwa Taspen placed funds in the form of deposits at Bank Jatim amounting to IDR 1 billion.	

Comparison of Targets and Realization of HR Development

The budget for education and training costs for the development of Bank Jatim's human resources in 2021 reached IDR 32,000,000,000, while the realization of training costs up to December 31, 2021 was IDR 22,649,068,859 or an achievement of 70.78%. Thus, the education and training budget had not been absorbed or realized of IDR 9,350,931,141. However, when compared to 2020, the absorption of the education and training budget increased by 51.86%, the use of education and training costs had not been maximized due to several education and training programs that had not been implemented according to a predetermined schedule.

Obstacles in the implementation of education and training were still the same as in 2020, namely the massive condition of the COVID-19 pandemic which resulted in several training and education programs in 2021 being unable to be implemented. In 2022, the strategy for developing the quality of Bank Jatim human resources during the COVID-19 pandemic which was currently still ongoing as well as the emergence of new virus variants was conducted online and offline/face-to-face training and education, both in-house training and public training, and using teachers from internal as well as cooperation with external parties (vendors). During the implementation of offline/face-to-face training and education, it was mandatory to implement the COVID-19 health protocol. With the implementation of online and offline training, it was expected that the planned programs could be implemented properly and could run smoothly.

Table of Comparison of the Target and Realization of Human Resources Development in 2021

(in Full Rupiah)

Description	Realization 2021	Target 2021	Achievement
1	2	3	4=2/3
Cost of education and training (Training)	22,649,068,859	32,000,000,000	70.78%



Future Target

The management of Bank Jatim has prepared a Bank Business Plan for 2022 by considering the current economic conditions and economic projections in 2022, both macro and micro. The national economic outlook for 2021 and the macroeconomic assumptions for 2022 are as follows:

Table of Assumptions in Preparing Projections

Indicator	Economic Outlook 2021	RAPBN 2022	APBN 2022
Economic Growth (%)	3.7 – 4.5	5.0 – 5.5	5.2
Inflation Rate (%)	1.8 – 2.5	3.0	3.0
Rupiah Exchange Rate (IDR/USD)	14,200 – 14,600	14,350	14,350
SUN Interest Rate – 10 Years (%)*	6.34 – 7.24	6.82	6.80
Indonesian Crude Oil Price (USD/Barrel)	55 – 65	63	63
Oil Lifting (Thousand Barrels/Day)	680 – 705	703	703
Gas Lifting (thousand barrels of oil equivalent/day)	987 – 1,007	1,036	1,036

Information:

*) Prior to 2021 using the assumption of a 3-month SPN interest rate

a December 2021 Economic Growth

b Inflation December 2021

Source:

Law of the Republic of Indonesia Number 6 of 2021 concerning APDN FY 2022 dated 27 October 2021.

Monetary Policy Review 2021 – Bank Indonesia.

Financial Projection In 2022

Description of financial projections in 2022 is presented as follows:

Table of Financial Projection in 2022

(in IDR million)

Description	Projection 2022
1	2
FINANCIAL POSITION	
Asset	110,010,974
Loans	47,861,000
Current Account	25,528,500
Savings	29,139,500
Time deposit	38,806,000
Deposits from other banks	8,701,474
Loans Received	1,159,093
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Interest income and net sharia	151,338
Other operating incom	687,073
Current year profi	2,083,988
FINANCIAL RATIO	
Capital Adequacy Ratio (CAR)	24.90
Non Performing Loan (NPL) Gross	3.74
Return on Assets (RoA)	2.00
Return on Equity (RoE)	15.69
Net Interest Margin (NIM)	5.04
Operating Expenses Operating Income (BOPO)	78.93
Loan to Deposit Ratio (LDR)	48.54

Capital Structure Projection In 2022

Description of the projected capital structure in 2020 is presented as follows:

Table of Capital Structure Projection for 2022

(in IDR million)

Description	Projection 2022
1	2
Core Capital	10,710,391
Complementary Capital	447,250
Total Core and Supplementary Capital	11,157,641
Risk Weighted Assets (RWA) For Credit Risk	35,780,000
Risk Weighted Assets (RWA) for Operational Risk	8,944,369
Risk Weighted Assets (RWA) For Market Risk	91,908
Capital Adequacy Ratio (%)	
Core Capital Ratio	23.90

Dividend Policy Projection

The description of the 2021 Fiscal Year dividend policy projections distributed in 2022 is presented as follows

Table of Dividend Policy Projection

(in IDR million)

Description	Projection *)
1	2
Net Profit for Financial Year 2021	1,523,070
Estimated Total Dividend Divided	782,400
Estimated Dividends obtained by the East Java Provincial Government	400,000
Dividen Payout Ratio (DPR)	51.37%

***Notes:**

For the estimated distribution of dividends for the 2021 financial year, which will be divided in 2022, after obtaining approval from the East Java Provincial Government as the Controlling Shareholder (PSP).

In deciding the amount of dividends to be distributed to shareholders, Bank Jatim takes into account the factors of future business growth projections, fulfillment of the capital adequacy ratio and after obtaining approval from the East Java Provincial Government as the Controlling Shareholder (PSP). The decision to determine the amount of dividends is made at the Annual General Meeting of Shareholders (AGM).

In 2022, Bank Jatim plans to distribute dividends on the Company's profits for the 2021 Fiscal Year. The amount of cash dividend payments will be approved at the 2022 Annual General Meeting of Shareholders (AGMS). Historically, the Company has distributed dividends in the range of 49% - 63% of net profit. This dividend policy will continue to be carried out by taking into account the factors mentioned above, unless the decision of the General Meeting of Shareholders states otherwise based on certain considerations.

Marketing Projections In 2022

In 2022 the bank is still continuing programs that have not been realized in 2020 and compiling marketing projections for 202 as follow:

1. Development of Marketing Tools Application in order to optimize promotions through digital platforms (website: promo.bankjatim.co.id).
2. Current and savings product promotion program.
3. Simpeda and Siklus sweepstakes in order to increase the Number of Accounts (NoA) and Assets Under Management (AUM) of savings products.
4. Promo program for millennial customers (Jatim Garage).
5. 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.
6. Selection of agents and expansion of the Laku Pandai network, by collaborating with Village-Owned Enterprises (BUMDES).
7. Promo Program for the period March to November 2022
 - a. Opening a BSA account earns a fee/commission of IDR 5,000
 - b. 2% deposit transaction

8. Program 1 village 1 Agent of Laku Pandai (the program changes according to the information on the Instructions of the Field Director).
9. Adding Simple and other account type features (mirroring mobile banking) in the Laku Pandai Agent application.
10. Disbursement of the PKH Social Assistance Fund for 2022 is IDR 98,000,000,000 (ninety eight billion) with a total of 50,000 recipients (elderly).
11. The distribution of social assistance funds for LKSA 2022 reached IDR 2,200,000,000 (two billion two hundred million rupiah) with a total of 500 (five hundred) children receiving social assistance for 6 (six) months.
12. Disbursement of social assistance funds for disability in 2022 was IDR 10,925,100,000 (ten billion nine hundred twenty five million one hundred thousand rupiah) with a total of 12,139 disability beneficiaries.
13. School Operational Assistance (BOS) for 2022 budget included:
 - a. Changes in the management system and transfer of funds.
Regular BOS include:
 - Provincial authority (SMA, SMAK, SLB) of IDR 7.3 trillion.
 - City/District authority (Tk-SMP level) of IDR 4 trillion.
 - b. Teacher Professional Allowance (TPG) of IDR 1.2 trillion
 - c. Physical Special Allocation Fund (DAK) of IDR 392 billion
 - d. BOPP of IDR 1 trillion
 - e. BOPP MA of IDR 139 billion
 - f. Salary of IDR 2.1 trillion
 Total budget of IDR 15.731 trillion
14. Development of the Siplah system (Kemendikbud) with the BJTM system as transactions and finance from upstream to downstream through BJTM (increasing NOA and Nominal Current Accounts from the marketplace for goods and services procurement suppliers for schools.
15. Monitoring the evaluation and assistance of branches both directly and online (zooming) towards the acquisition of TPF targets, especially current accounts and savings.
16. Monitoring the evaluation and mentoring of branches both directly and online (zooming) towards the acquisition of smart behavior targets.
17. 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.
18. Optimizing cooperation with financial technology for topup and marketplace transactions related to payment settlement, including GoPay, Indomart, and others.
19. Optimizing cooperation in the management of association funds, associations and religious organizations, both public and private, hospitals, and other agencies in order to improve the supply chain through Bank Jatim e-channels.
20. Optimizing Cooperation with BPJS Employment in receiving contributions, payment of BPJS Employment guarantees and payment of Business Expenses and Capital Expenditures (BUBM) through Banking Services.
21. Cooperation with BPJS Health Memorandum of Understanding and Cooperation in Auto Debit Services for National Health Insurance Contributions-Indonesian Health Cards.
22. Management of Expenditure Accounts Owned by State Ministries/Institutions in accordance with PMK Number 183/PMK.05/2019 with the Ministry having a Work Unit in East Java.
23. Addition of Bank Jatim Business Partners, both private companies or BUMD in East Java and on a national scale.
24. Interest Cycle Plus Period 10 Year 2022 Program to increase third party funds.
25. Laku Pandai's Spirit to Build Nation (Semanggi) program to increase fee-based income from transactions through Laku Pandai Agents.

HR Development Projection In 2022

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 2022 through education and training programs. Several types of HR training can be carried out, including skill training, retraining or retraining, team training, creativity training, and others. In 2022, HR development projections for all employees are 3,090 people from 4,415 employees.

Table of HR Development Projection in 2022

(In Person)

Description	Projection 2022
1	2
Training for organic employees	3,090

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

Description	Financial Year 2020	Financial Year 2019	Financial Year 2018	Financial Year 2017	Financial Year 2016
Net Profit (IDR)	1,488,961,630,120	1,376,505,140,913	1,260,308,411,500	1,159,369,505,449	1,028,216,274,326
Dividend (IDR)	733,507,081,305.70	723,747,007,552.40	683,865,985,709.02	660,384,829,276.20	652,202,312,878.48
Non-Cash Dividend	-	-	-	-	-
Dividend Per Share (IDR)	48.85	48.20	45.61	44.10	43.64
Non-Cash Dividend Per Share	-	-	-	-	-
Number of Shares	15,015,498,082	15,015,498,082	14,978,134,982	14,974,591,382	14,945,057,582
Dividend Payout Ratio (%)	49.26%	52.58%	54.26%	56.96%	63.43%
Announcement Date	5 Mei 2021	05 Mei 2020	09 Mei 2019	22 Februari 2018	10 Februari 2017
Payment date	28 Mei 2021	20 Mei 2020	29 Mei 2019	22 Maret 2018	02 Maret 2017
Non-Cash Dividend Payment Date	-	-	-	-	-

Announcement and Payment of Dividends For the 2020 Financial Year

On May 3, 2021, Bank Jatim held an AGMS which approved and determined the use of Bank Jatim's net profit for the financial year ended December 31, 2020, amounting to IDR1,488,961,630,120.00 as follows:

1. In the amount of IDR733,507,081,305.70 or 49.26% of Bank Jatim's net profit for the financial year 2020, it is distributed as cash dividends to shareholders who are registered in the Company's Shareholders Register as of May 18, 2021, which will be paid on May 28, 2021.
2. In the amount of IDR755.454.548.814.30, 50.74% of Bank Jatim's net profit for the financial year 2020 is designated as General Reserves.

Announcement and Dividend Payment For Financial Year 2019

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, 2020, amounting to IDR1,376,505,140,913.00 as follows:

1. In the amount of IDR723,747,007,552.40 or 52.58% of Bank Jatim's net profit for the 2019 financial year, it will be distributed as cash dividends to shareholders recorded in the Company's Shareholders Register as of May 8, 2020, which will be paid on May 20, 2020.
2. In the amount of IDR652,758,133,360.60, 47.42% of Bank Jatim's net profit for the 2019 financial year is designated as General Reserves.

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 loan expansion, especially the MSME sector, development of operational networks and information technology, with the following description.

Table of Realization of Use of Proceeds from Public Offering

(in Full Rupiah)

Period	Offering Type	Allocation	Realization	Remains
2012	IPO	IDR1.225.252.566.606,40		
			Expansion of the Company's Loan IDR1.004.202.053.285,12	
			Operational network development IDR125,525,256,660.64	IDR77,922,290,170.64
			Information Technology Development IDR125,525,256,660.64	IDR119,650,875,791.35
				IDR197,573,165,961.99
2013	IPO			
			Expansion of the Company's Loan 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
2014	IPO			
			Expansion of the Company's Loan 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 Loan 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 Loan IDR1.004.202.053.285,12	-

Period	Offering Type	Allocation	Realization	Remains
			Operational network development IDR125.525.256.660,64	-
			Information Technology Development IDR125.525.256.660,64	-
				-
2017	Nihil			
2018	Nihil			
2019	Nihil			
2020	Nihil			
2021	Nihil			

The last public offering was carried out by Bank Jatim in 2016, until the end of 2021 Bank Jatim did not make a public offering of shares or bonds to the public through the capital market, so that in 2021 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 every transaction carried out by a public company or controlled company that meets the transaction value limit equal to 20% (twenty percent) or more of the equity of the Public Company (Financial Services Authority Regulation Number 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities).

Conflict Of Interest Transaction

In accordance with the provisions of the Financial Services Authority Regulation Number 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions, a Conflict of Interest was the difference between the economic interests of a public company and the personal economic interests of members of the board of directors, members of the board of commissioners, major shareholders or controllers who may be detrimental to the said public company.

One of the efforts to avoid conflicts of interest was that all parties, both employees and company leaders, had to comply with the established code of ethics and avoid activities that might cause conflicts of interest.

During 2021 there were no transactions that met the category of conflict of interest transactions.

Affiliated Transaction

Based on the provisions of the Financial Services Authority Regulation Number 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest Transactions, Affiliates are:

- Family relations by marriage and descent to the second degree, both horizontally and vertically;
- Relationship between a party and its employees, directors or commissioners;
- Relationship between 2 (two) companies where there is one or more members of the same Board of Directors or Board of Commissioners;
- The relationship between the Company and the party, either directly or indirectly, controls or is controlled by the company;
- Relationship between 2 (two) Companies that are controlled, either directly or indirectly, by the same Party; or
- Relationship between the Company and Major Shareholders.

Furthermore, Affiliate transaction was any activity and/or transaction carried out by a public company or controlled company with an Affiliate of a public company or Affiliate of a Member of the Board of Directors, Member of the Board of Commissioners, Major Shareholder, or Controlling, including every activity and/or transaction carried out by Public Company or Controlled Company for the benefit of Affiliates of the Public Company or Affiliates of members of the Board of Directors, Members of the Board of Commissioners, Major Shareholders or Controlling Shareholders.

Transactions with affiliated parties had potential risks, namely the risk of misuse by parties that might harm the Bank. Therefore, Bank Affiliated Parties were prohibited from utilizing the Bank for personal, family, and/or other parties' interests that might harm or reduce the Bank's profits.

During 2021 there were no transactions that met the category of affiliated party transactions.

Related Party Transaction

Name of the Transacting Parties and Nature of Relationship

The description of the name of the transacting party and the nature of the relationship is presented as follows:

Table of Names of Parties and Nature of Related Transactions

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
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 District Government	Shareholders	Placement of funds
Bojonegoro Regency Government	Shareholders	Loan given
Lamongan Regency Government	Shareholders	Loan given
Malang Regency Government	Shareholders	Loan given
Hospital Dr. Soetomo	Owned by the same ultimate shareholder	Loan given
Hospital Dr. Soedono Madiun	Owned by the same ultimate shareholder	Loan given
PT Bank Perkreditan Rakyat East Java	Owned by the same ultimate shareholder	Loan given Placement of funds
Board of Commissioners, Directors	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

(in IDR million)

Description	2021	2020
ASSET		
Loans, and sharia financing		
RSUD Dr. Soetomo	-	69,521
PT BPR Jawa Timur	29,851	50,791
Key management loans	112,529	115,072
RSUD Dr. Soedono Madiun	34,840	46,139
Others	5,669	4,072
Total	182,889	285,595
Percentage of total assets	0.18%	0.34%
LIABILITIES		
Deposits from customers	17,722,756	14,375,132
Percentage of total liabilities	19.73%	19.53%
Deposits from other bank		
PT BPR Jawa Timur	360,169	238,798
PT BPR Surya Atha Utama	-	-
PT BPR Bank Daerah Tulungagung	-	-
Total	360,169	238,798
Percentage of total liabilities		0.32%
INCOME AND LOSS AND OTHER COMPREHENSIVE INCOME		
Interest income	11,940	42,918
Percentage of total interest income and sharia	0.18%	0.70%
Interest and Sharia expenses	143,778	547,597
Percentage of total interest expense and sharia	7.27	26.96%
COMMITMENT AND CONTINGENCIES		
There were no outstanding commitments and contingencies to related parties for the years ended December 31, 2021 and 2020	-	-
KEY MANAGEMENT COMPENSATION		
Compensation to key management personnel of the Bank (excluding Commissioners and Directors)		
Salary	20,820	20,372
Production service	11,492	10,733
Allowance	10,401	8,632
Post-employment benefits	-	-
Total	42,713	39,737

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 2021, 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 in 2021

No.	Legislation	Principal Settings	Implications for Bank Jatim
1	Regulation of Members of the Board of Governors Number 22/35/PADG/2020 concerning Amendments to 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 Activities Certain Economics to Support Handling Economic Impacts Due to the Corona Virus Outbreak	<ol style="list-style-type: none"> Bank Indonesia provided incentives for Banks that provided funds for certain economic activities in the form of: <ol style="list-style-type: none"> export activities; Import activities; MSME activities; and/or Economic activities in other priority sectors: <ul style="list-style-type: none"> The hotel and restaurant sector; The automotive sector; Textile and textile products and footwear sector; electronics sector; and/or Processed wood, furniture and paper products sector. Adjusting the details of the incentive period until June 30, 2021. Adjustment of the scope of provision of funds, namely by increasing the provision of funds related to other priority sectors Adjustment of data sources for LBU and LSMK BUS UUS, namely by adding data sources related to other priority sectors. Adjustment of the use of data on the provision of funds for the provision of incentives, namely by increasing the use of data for the period after December 31, 2020 to June 30, 2021. Adjustments to Appendix I regarding examples of incentive calculations, Appendix II regarding detailed data, and Appendix III regarding examples of calculating sanctions, namely adjustments specifically related to other priority sectors. The treatment of giving incentives to BUK A was as follows: <ol style="list-style-type: none"> For the period of providing incentives from December 16, 2020 to January 15, 2021 (using November 2020 data), the Bank obtained relief from the requirement to fulfill daily RR in rupiah by 0.5% so that the daily RR in rupiah became 0%. <p>For the period of providing incentives from January 16, 2021 to February 15, 2021 (using data for December 2020), the Bank obtained relief from the daily statutory reserve requirement in rupiah by 0.5% so that the daily statutory reserve requirement in rupiah became 0%. In this case, the leeway for meeting the daily Statutory Reserves in rupiah remained at 0.5%, there was no increase in the</p> 	Bank Jatim made several adjustments to internal provisions and products for providing funds to support government programs in handling the economic impact of the corona virus outbreak.
2	Bank Indonesia Regulation No. 22/20/PBI/2020 concerning Bank Indonesia Consumer Protection.	<ol style="list-style-type: none"> Operators included in the scope of Bank Indonesia consumer protection included: <ol style="list-style-type: none"> Operators in the field of Payment Systems; Money Service Activities Operator; Money Market and Foreign Exchange Market players; and other parties regulated and supervised by Bank Indonesia. Operators in the payment system sector included: <ol style="list-style-type: none"> Issuance of payment instruments using cards; Issuance of electronic money; Issuance of checks and/or bilyet giro; Electronic wallet operation; Fund transfers included fund transfers made through the Bank Indonesia-Real Time Gross Settlement system and the Bank Indonesia National Clearing System. Implementation of payment transaction forwarding; and/or Operators in the field of other payment systems as determined by Bank Indonesia. The organizer of money service activities was the organizer of money service activities that performs: <ol style="list-style-type: none"> Non-bank foreign exchange business activities; Other money service activities as determined by Bank Indonesia. Money market and foreign exchange market participants were parties that carried out activities: <ol style="list-style-type: none"> Issuance of money market instruments; and/or Supporting transactions in the money market and foreign exchange markets that deal directly with consumers. 	The Bank always strived to prioritize aspects of consumer protection as mandated in laws and regulations, one of which was to increase the ease of service provided to the public accompanied by adequate education in accordance with applicable regulations.

No.	Legislation	Principal Settings	Implications for Bank Jatim
		<p>5. The principles of consumer protection included:</p> <ol style="list-style-type: none"> Equality and fair treatment; Openness and transparency; Responsible business conduct; Protection of consumer assets against misuse; Protection of consumer data and/or information; Effective handling and resolution of complaints. <p>The application of the principle of consumer protection was carried out by considering the form of the provider's products and/or services.</p> <p>6. Providers were required to have competent human resources to apply consumer protection principles.</p> <p>7. Human resources who carried out the education function, the function of protecting consumer data and/or information, as well as the function of handling and resolving consumer complaints were required to attend training that supported the implementation of the function.</p> <p>8. In the event that the consumer did not agree with the results of the handling and settlement carried out by the operator, the consumer might submit a complaint to the dispute resolution agency or institution or to Bank Indonesia.</p> <p>9. Complaints that could be submitted by Consumers to Bank Indonesia were those that could be included within the scope of consumer protection.</p> <p>10. Complaints submitted to Bank Indonesia were in the form of:</p> <ol style="list-style-type: none"> Consumer misunderstanding; Indications of violation of Bank Indonesia Regulations committed by the operator; or Financial losses and/or potential financial losses were reasonable and have a direct impact on consumers. <p>11. Complaints submitted to Bank Indonesia which constituted financial losses and/or potential financial losses were reasonable and had a direct impact on consumers, shall be made with the following provisions:</p> <ol style="list-style-type: none"> The Consumer submitted a complaint to the Operator but there was no agreement between the Consumer and the Operator; The problem being complained of was a civil matter that had never been processed by a court, dispute resolution agency/institution, or other competent authority; and Consumers experience potential financial losses caused by the Operator with a certain value determined by Bank Indonesia. <p>12. Consumers might submit complaints to Bank Indonesia directly and/or indirectly.</p> <p>13. The forms of handling consumer complaints carried out by Bank Indonesia were in the form of:</p> <ol style="list-style-type: none"> Education; Consultation; and Facilitation. <p>14. Operators were required to implement risk management related to consumer protection, including at least:</p> <ol style="list-style-type: none"> Active supervision by management and supervisors; Adequacy of policies and procedures; Adequacy of risk identification, measurement, monitoring and control processes; and A comprehensive internal control system. <p>15. Bank Indonesia shall supervise the Operators through:</p> <ol style="list-style-type: none"> Indirect supervision; and/or Direct supervision. <p>16. In exercising its supervisory authority, Bank Indonesia was authorized to request documents, data, information, information, and/or explanations from the operator.</p> <p>17. Operators were required to submit documents, data, information, information, and/or explanations at the request of Bank Indonesia.</p> <p>18. In conducting supervision, Bank Indonesia shall supervise the behavior of Providers in carrying out their business. Supervision of the behavior of the Operator in carrying out its business was supervision with a market conduct approach that focused on the behavior of the Operator in designing, compiling and conveying information, offering, making agreements on products and/or services, as well as handling and resolving complaints.</p> <p>Bank Indonesia might coordinate with relevant authorities, ministries, and/or institutions in the application of consumer protection.</p>	

No.	Legislation	Principal Settings	Implications for Bank Jatim
3	Regulation of Members of the Board of Governors Number 23/6/PADG/2021 concerning the Second Amendment to Regulation of Members of the Board of Governors Number 21/25/PADG/2019 concerning Loan to Value Ratio for Property Loans, Financing to Value Ratio for Property Financing, and Advances for Loan or Vehicle Financing	<ol style="list-style-type: none"> 1. Adjustment of LTV/FTV ratio limit settings for KP/PP as follows: <ol style="list-style-type: none"> a. For Banks that met the requirements of the Non-Performing Loan (NPL)/Non-Performing Financing (NPF) ratio, the limit for the LTV/FTV ratio for KP/PP was at most 100% for all types and types of property intended for the first KP/PP facility etc. b. For Banks that did not meet the requirements for the NPL/NPF ratio, the limits for the LTV/FTV ratio for KP/PP are as follows: <ol style="list-style-type: none"> 1) For KP/PP for Treaded Houses and KP/PP for Flats: <ul style="list-style-type: none"> - Type >70, the highest was 95% for the first facility, and the highest was 90% for the second facility and so on; - Type >21-70, maximum 95% for the first facility and so on; and - Type 21, the highest was 100% for the first facility, and the highest was 95% for the second facility and so on. 2) For KP/PP Ruko Rukan, a maximum of 95% for the first facility and a maximum of 90% for the second facility and so on. c. The LTV/FTV Ratio Limit for KP/PP as referred to in letters a and b was also applied to KP/PP for environmentally friendly properties. d. Regulations regarding the requirements for a fixed NPL/NPF ratio, namely: <ul style="list-style-type: none"> - The ratio of NPL/NPF for total loan/financing on a gross basis was less than 5%; and - The ratio of NPL/NPF of KP/PP on a gross basis was less than 5%. 2. Adjustment of down payment limit settings for KKB/PKB as follows: <ol style="list-style-type: none"> a. For Banks that met the requirements of the NPL/NPF ratio, the Downpayment limit for KKB/PKB was at least 0% for all types of vehicles, both for productive and non-productive activities. b. For Banks that did not meet the requirements for the NPL/NPF ratio, the limits for down payments for KKB/PKB were as follows: <ul style="list-style-type: none"> - For two-wheeled vehicles to be at least 10%; - For three-wheeled vehicles or more (non-productive) at least 10%; and - For three-wheeled vehicles or more (productive) to be at least 5%. c. Limits on Advances for KKB/PKB as referred to in letters a and b were also applied to KKB/PKB for environmentally sound motorized vehicles. d. Regulations regarding the requirements for a fixed NPL/NPF ratio were: <ul style="list-style-type: none"> - The ratio of NPL/NPF for total loan/financing on a gross basis was less than 5%; and - The net NPL/NPF ratio of KKB/PKB was less than 5%. e. What was meant by KKB/PKB is Loan/Financing provided by a Bank for the purchase of a motor vehicle with the mentioned motor vehicle as collateral. 3. Arrangements for gradual disbursement obligations for KP/PP property ownership that were not yet available in full were removed. 4. Additional regulation on the Bank's obligation to pay attention to prudential principles and risk management in carrying out the disbursement stages for KP/PP for property ownership that was not yet fully available. <p>Adding regulation regarding the data source of Integrated Commercial Bank Reports (LBUT) in calculating NPL/NPF.</p>	Bank Jatim made several adjustments to the internal provisions of the above so that in its implementation it remained in accordance with the provisions of the applicable regulator.

No.	Legislation	Principal Settings	Implications for Bank Jatim
4	Bank Indonesia Regulation Number 23/11/PBI/2021 concerning Payment System National Standards	<ol style="list-style-type: none"> 1. SP National Standard, hereinafter referred to as National Standard, became a standard determined by BI to be used in the administration of SP carried out in the territory of the Unitary State of the Republic of Indonesia. 2. The National Standards Policy aimed to: <ol style="list-style-type: none"> a. Create a healthy, competitive and innovative SP industry; b. Promote integration, interconnection, interoperability, and security and reliability of SP infrastructure; and/or c. Improve market practice that was healthy, efficient, and fair in the implementation of SP applied in the implementation of SP, including payment transaction processing. 3. The scope of the National Standard included the following aspects: <ol style="list-style-type: none"> a. Governance; b. Risk management; c. Information system security standards; d. Interconnection and interoperability; and/or e. Other aspects determined by BI. 4. National Standards contained: <ol style="list-style-type: none"> a. Technical specifications. b. Operational specifications; and/or c. Implementation guidelines (code of practice). 5. BI authorities related to National Standards included: <ol style="list-style-type: none"> a. Developing, establishing, and managing the National Standards; b. Establishing policies or arrangements for the application of National Standards; and c. Supervising the implementation of National Standards. 6. To protect the public interest, ownership of the National Standard belongs to BI. 7. The preparation of National Standards was carried out through: <ol style="list-style-type: none"> a. National Standard Planning; b. Preparation of technical specifications, operational specifications, and/or implementation guidelines (code of practice); and/or c. Execution of trials. 8. National Standards were determined through BI regulations or BI decisions. 9. Management of National Standards was carried out through: <ol style="list-style-type: none"> a. Implementation and management of certification, verification, and/or providing recommendations related to the use of National Standards; b. Formulation and implementation of procedures and procedures for submitting copies of National Standards; c. Planning and/or development of National Standards; and/or d. Implementation of evaluation of National Standards periodically and/or at any time. 10. In setting National Standards, BI might consider standard proposals submitted by the Self-Regulatory Organization (SRO) or other parties. In the event that a standard was proposed by the SRO or another party, the ownership of the standard shall be transferred to BI at the time the standard was stipulated as a National Standard. 11. BI might assign SROs or other parties determined by BI for and on behalf of BI to prepare and/or manage National Standards. Furthermore, the assignment to prepare and/or manage the National Standard was carried out based on a BI decision. 12. Other parties other than SRO tasked with compiling and managing National Standards had to meet the following requirements: <ol style="list-style-type: none"> a. As a representation of the SP industry that used the National Standard; b. An Indonesian legal entity that had the competence to manage National Standards; and c. Other conditions set by BI. Furthermore, other parties intending to become managers of National Standards had to submit a written application for determination to BI accompanied by supporting documents that prove the fulfillment of the requirements. In order to process the application for the determination, BI shall: <ol style="list-style-type: none"> a. Administrative research; b. Feasibility analysis; and c. field inspection (on site visit), if necessary. 	Bank Jatim made adjustments to the enactment of these provisions so that payment system services could be in line with the goals and expectations of the regulator.

No.	Legislation	Principal Settings	Implications for Bank Jatim
		<p>13. The SRO or other parties as referred to in number 12 above had to:</p> <ol style="list-style-type: none"> a. Carry out duties as well as possible for the benefit of BI (fiduciary duty); b. Ensure the security and reliability of information systems used in the preparation and/or management of National Standards; c. maintain the confidentiality of data and/or information related to the preparation and/or management of National Standards; d. Request BI approval on matters of a strategic nature in the implementation of the task of preparing and/or managing National Standards; e. Make efforts to increase the understanding of related parties on National Standards; and f. Carry out other obligations determined by BI. <p>14. BI stipulated policies or arrangements for the application of National Standards consisting of:</p> <ol style="list-style-type: none"> a. Parties in the application of National Standards; b. Phases of implementation including the period of application; c. Area Coverage; d. Transaction restrictions; e. Mechanism for testing and verifying the application of the National Standard; f. The scope of transaction processing; g. Obligations of the parties in the application of the National Standard; and/or h. Policies or other arrangements for implementing the National Standard. <p>In addition to setting policies or regulations for implementing the National Standards as mentioned above, BI was also authorized to determine pricing scheme policies. Furthermore, in determining policies and arrangements for the application of National Standards, BI might also consider inputs and/or proposals from SROs or other parties.</p> <p>15. PJP and PIP were required to comply with the policies and arrangements for the application of the National Standard. The obligation to comply with the policies and arrangements for the implementation of the National Standard was also applied to the Supporting Providers and other parties who cooperated with PJP and/or PIP.</p> <p>16. National Standards could be applied in cross-border payment transactions but had to be based on BI policy. Further provisions regarding the application of the National Standard in cross-border payment transactions was regulated by a Regulation of the Members of the Board of Governors.</p> <p>17. In implementing the National Standard, BI might require PJP, PIP, Supporting Providers and/or parties cooperating with PJP and/or PIP to:</p> <ol style="list-style-type: none"> a. Obtain approval; or b. Submit reports to BI in accordance with the policies for implementing the National Standards. Furthermore, regarding the procedures and mechanisms for requesting approval or submitting the report, it was carried out in accordance with the provisions of BI regulations regarding SP. <p>18. BI supervised:</p> <ol style="list-style-type: none"> a. Preparation and/or management of National Standards by SRO or other parties; and b. Implementation of National Standards by PJP, PIP, Supporting Operators, and/or other parties cooperating with PJP and/or PIP. <p>The supervisory mechanism by BI referred to the provisions regarding BI supervision in accordance with the provisions of BI regulations regarding SP.</p>	

No.	Legislation	Principal Settings	Implications for Bank Jatim
5	Regulation of Members of the Board of Governors No. 23/25/PADG/2021 concerning the Implementation of Bank Indonesia-Fast Payment (BI-FAST)	<ol style="list-style-type: none"> 1. Bank Indonesia-Fast Payment, hereinafter referred to as BI-FAST, was the payment system infrastructure of Bank Indonesia to facilitate retail payments that could be accessed at any time. 2. BI-FAST operations were carried out every day for 24 (twenty four) hours from Monday to Sunday. 3. Services that could be processed through BI-FAST consisted of: <ol style="list-style-type: none"> a. Individual Credit Transfer (ICT) Services; and b. Other services determined by the Operator. 4. The ICT service processes funds transfer orders originating from the sending Participant's customer to the receiving Participant's customer. Transaction processing through ICT Services was carried out in 2 (two) stages, namely: <ol style="list-style-type: none"> a. Processing of receiving customer validation orders; and b. Credit Transfer Request (CTR) processing 5. Fund settlement principles for each service in BI-FAST were as follows: <ol style="list-style-type: none"> a. Performed by the organizer based on the results of gross calculations; b. Fund settlement was final and irrevocable; and c. It was carried out based on the same day settlement principle. 6. Parties that might become Participants were: <ol style="list-style-type: none"> a. Bank Indonesia; b. Bank; c. Institutions other than banks; and d. Other parties determined by the Operator. <p>In this case, the Banks that could become BI-FAST participants are:</p> <ol style="list-style-type: none"> a. Conventional commercial banks; b. Islamic commercial bank; c. Sharia business unit; and d. Foreign bank branch offices in Indonesia. 7. To become a BI-FAST participant, the prospective participant had to meet the following requirements: <ol style="list-style-type: none"> a. Becoming a customer of Bank Indonesia and having an active status; b. Not in the process of liquidation or bankruptcy; c. Leaders of prospective participants had good credibility and a good track record, indicated by: <ol style="list-style-type: none"> - Prospective participants in the form of banks, appointments from related institutions or approval from authorized supervisory institutions; and - Prospective participants in the form of institutions other than banks, were not listed in the list of bad debts and the national black list issued by the authorized institution; d. Having good financial performance in the last 2 (two) years; e. Providing infrastructure for the operation of BI-FAST in accordance with the technical specifications set by the Operator; and f. Having a reliable information system. 8. In addition to the general requirements, the participant had to fulfill special requirements in the event that the participant was designated as a Direct Participant, while the special requirements as referred to were as follows: <ol style="list-style-type: none"> a. Haing a significant contribution in the digital economy and finance in accordance with the parameters set by the Operator; b. Haing strong financial capabilities in the form of: <ol style="list-style-type: none"> - Haing a core capital of more than IDR 6,000,000,000,000.00 (six trillion rupiah) for a bank or a paid-up capital of at least IDR 100,000,000,000.00 (one hundred billion rupiah) for an institution other than a bank; and - Haing adequate liquidity; - Supporting Bank Indonesia's policies in the monetary, macroprudential, and payment systems. 9. In implementing BI-FAST, Bank Indonesia as the operator had the following duties and authorities: <ol style="list-style-type: none"> a. To stipulate the provisions and procedures for the operation of BI-FAST; b. To provide facilities and infrastructure for the implementation of BI-FAST; c. To carry out BI-FAST operational activities; d. To make efforts to ensure the reliability, availability, and security of BI-FAST operation; e. To monitor Participant's compliance with provisions related to BI-FAST operation; f. To set limits on the nominal value of transactions and fees; and g. To impose administrative sanctions to Participants. 	Bank Jatim responded to the issuance of Regulation of the Board of Governors No. 23/25/PADG/2021 concerning the Implementation of Bank Indonesia-Fast Payment (BI-FAST) by updating the standard operating procedure where the discussion involved related work units so that the Bank's payment system activities could comply with applicable external regulations.

No.	Legislation	Principal Settings	Implications for Bank Jatim
		<p>10. In the implementation of BI-FAST, participants had the following obligations:</p> <ol style="list-style-type: none"> Maintain smooth and secure use of BI-FAST; Responsible for the accuracy of all data, fund transfer orders, and all information sent by Participants to the Operator through BI-FAST; Carry out the agreement with the Operator; Carry out BI-FAST operational activities in accordance with Bank Indonesia agreements and other relevant provisions; Inform the transaction costs to customers in a transparent manner; Provide data and information related to the implementation of BI-FAST to Bank Indonesia; and Comply with the provisions issued by the SRO. <p>11. Participant might use the infrastructure managed by the Participant candidate himself or managed by another party. The provision of infrastructure managed by other parties could only be carried out by prospective participants who were designated as PTL by the Operator.</p> <p>12. In the event that a prospective participant used an infrastructure managed by another party, the prospective participant had to ensure that the other party as the BI-FAST infrastructure manager met the following requirements:</p> <ol style="list-style-type: none"> Indonesian legal entity in the field of information system service providers; The management had a good track record, as evidenced by not being listed on the bad loan list and the national black list issued by the authorized institution; Having reliable experts supported by relevant certifications; Having good financial performance in the last 2 (two) years; Having a business continuity plan guideline (business continuity plan); Applying information technology control principles and security reliability as evidenced by independent audit results; Meeting the security and reliability standards of the system and infrastructure according to the applicable standards; Experience in providing managed service solutions or sharing infrastructure in banking and payment systems; <p>13. Sponsor Bank was PL appointed by PTL to manage PTL liquidity.</p> <p>14. Paying Bank was PL appointed by PLNP Sistem BI-RTGS to manage liquidity of PLNP Sistem BI-RTGS.</p> <p>15. Becoming a Sponsor Bank and/or Paying Bank, a prospective Sponsor Bank and/or a prospective Paying Bank had to meet the following requirements:</p> <ol style="list-style-type: none"> Being able to manage liquidity for BI-RTGS System PTL or PLNP transactions; Becoming a bank as referred to in Article 6 paragraph (2) with a core capital of more than IDR 6,000,000,000,000.00 (six trillion rupiah); and Implementing risk management in accordance with the provisions of the legislation regarding the implementation of risk management. <p>In addition to the requirements mentioned above, the prospective Sponsor Bank had to have adequate information technology, which was at least the ability to separate records and separate funds belonging to PL and PTL.</p> <p>16. The Operator provided a security device in the form of a soft token based on a written request from the participant at the time of principle approval. The use of soft tokens was carried out in accordance with the participant's internal provisions and was the responsibility of the participant. To replace, extend the active period, and delete the soft token, participants submitted a written application to the organizer.</p> <p>17. In the implementation of BI-FAST, participants performed liquidity management carried out by participants including the following activities:</p> <ol style="list-style-type: none"> Provision of liquidity; Liquidity transfer; Determination of the liquidity limit threshold; and Mechanism of supply and transfer of liquidity. <p>Liquidity management was carried out in the Fund Settlement Account (RSD) and/or Fund Settlement Sub-Account (Sub-RSD) of each participant by taking into account the transaction needs of the relevant participant's BI-FAST.</p> <p>18. Provision and transfer of liquidity by participants through BI-RTGS could only be made during BI-RTGS operating hours. Liquidity was provided from the participant's fund settlement account at BI-RTGS to the RSD of the participant concerned. Liquidity transfer was carried out from the RSD of the participant concerned to the participant's fund settlement account at BI-RTGS.</p> <p>19. The Operator provided a proxy address feature that could be used by Participants to provide proxy address services to Participant customers. The proxy address feature could be used for processing the validation of the receiving customer. The proxy addresses provided covered:</p> <ol style="list-style-type: none"> Mobile phone number (mobile phone number); Electronic mail address (e-mail address); and/or Other identities determined by the Operator. 	

No.	Legislation	Principal Settings	Implications for Bank Jatim
		<p>20. Processing Receiving customer validation orders could be processed based on:</p> <ol style="list-style-type: none"> Account number via AER; and Proxy Address via PER. <p>21. Processing of receiving customer validation based on account number was carried out by the sending participant by making an Account Inquiry Request (AER) received from the sending customer by ensuring the completeness of the receiving customer's validation order information to be sent to BI-FAST Hub. After BI-FAST Hub received the AER sent by the sending participant, BI-FAST Hub forwarded the AER to the receiving participant for validation. The receiving participant sent the customer validation results to the BI-FAST Hub to be forwarded to the sending participant. Furthermore, the sending participant was required to submit the results of processing the receiving customer's validation order to the sending customer immediately after the sending participant receives the results of the AER processing.</p> <p>22. Proxy address based receiving customer validation processing was carried out by the sending participant by making a Proxy Inquiry Request (PER) received from the sending customer by ensuring the completeness of the receiving customer's validation order information to be sent to the BI-FAST Hub. After the BI-FAST Hub received the PER sent by the sending participant, BI-FAST Hub validated the PER for further validation results were submitted back to the receiving participant. Furthermore, the sending participant was required to submit the results of processing the receiving customer's validation order to the sending customer immediately after the sending participant received the results of the PER processing.</p> <p>23. Fund transfer orders were processed by the sending Participant after the funds transfer orders received from the sending customers had been received completely and correctly.</p> <p>24. Fund transfer orders were processed under the following conditions:</p> <ol style="list-style-type: none"> The sending participant made a Credit Transfer Request (CTR) on the participant's BI-FAST application in accordance with the sending customer's fund transfer order; and Sending participant sent CTR to receiving participant via BI-FAST Hub. <p>25. CTR delivery was regulated with the following conditions:</p> <ol style="list-style-type: none"> Delivery of CTR was done on the same date as the date on which the funds transfer order was received from the sending customer; CTR had to be supported with sufficient funds; CTR could not be changed or cancelled; and CTR had to use the transaction code as determined by the organizer. <p>The sending Participant might send a CTR on the following day in the event that the fund transfer order from the sending customer was received by the sending Participant approaching the change in the value date so that the sending Participant did not have enough time to forward the funds transfer order.</p> <p>26. In the event of a transaction problem, the sending Participant and the receiving Participant had to resolve:</p> <ol style="list-style-type: none"> The sending Participant re-loans the sending customer's account in the event that the CTR was returned by the receiving Participant for certain reasons. The sending customer's account was re-credited on the same date as the CTR return date. The receiving Participant returns funds to the sending Participant in the event that based on the results of the verification, the receiving Participant could not forward funds to the receiving customer. <p>27. The Operator provided the Dispute Resolution Platform (DRP) feature that could be used by participants to report problems with BI-FAST service transactions. Transaction problems with BI-FAST services included:</p> <ol style="list-style-type: none"> Transactions made by other Participants to reporting Participants; or Transactions made by the reporting Participant to other Participants. <p>28. The Operator provided a proactive risk manager feature used to mitigate the risk of suspicious financial transactions. Determination of parameters indicating suspicious financial transactions in the proactive risk manager was carried out based on the Operator's policy.</p>	

The changes to the laws and regulations described above do not have a significant quantitative impact on Bank Jatim Financial Report.

Changes in Accounting Policy

Changes in accounting policies were made to comply with the Statement of Financial Accounting Standards (PSAK) applied in the current year. The new and revised PSAK and ISAK including the ratification of amendments and annual adjustments that were effective in the current year were as follows:

- PSAK 73 (2020 Amendment): Leases on Lease Concessions related to COVID-19.
- PSAK 112: Accounting for Waqf;
- PSAK 22 (Amendment 2019): Business Combination on Business Definition
- PSAK 110 (Adjustment 2020): Accounting for Sukuk;
- PSAK 111 (Adjustment 2020): Wa'id Accounting; and
- Amendment to PSAK 71, Amendment to PSAK 55, Amendment to PSAK 60, Amendment to PSAK 62 and Amendment to PSAK 73 concerning Reform of Interest Rate Reference - Phase 2.

Except for the changes described below, the implementation of these standards did not result in substantial changes to the Bank's accounting policies and did not have a material impact on the financial statements for the current year or previous years.

PSAK 71: Financial Instruments

PSAK 71 replaced PSAK 55 (Revised 2014) Financial Instruments: Recognition and Measurement and introduces new arrangements for the classification and measurement of financial instruments based on the valuation of the business model and contractual cash flows, recognition and measurement of allowance for impairment losses on financial instruments using the expected loan loss model, which replaced the incurred loan loss model and provided a simpler approach to hedge accounting.

The Bank implemented PSAK 71 in early 2018.

PSAK 73: Lease

PSAK 73 replaced PSAK 30: Leases which required the Bank as the lessee to recognize right-of-use assets and lease liabilities related to lease transactions that were previously classified as operating leases under PSAK 30, except for short-term leases with low-value assets.

The Bank implemented PSAK 73 using a modified retrospective approach without restatement of the comparative period. Lease liabilities were measured at the present value of the remaining lease payments discounted using the Bank's incremental loan interest rate on January 1, 2020. Right-of-use assets were measured at the same amount as lease liabilities adjusted for the amount of advance payments or accrued lease payments in relation to leases 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 a portfolio of leases with fairly similar characteristics;
- Relying on a prior assessment of whether the lease was onerous as an alternative to conducting an impairment review, that there were no onerous contracts as of January 1, 2020; and
- Choosing not to apply the terms for leases of which lease expired within 12 (twelve) months from the date of initial application. Recording such leases in the same way as short-term leases and including the costs associated with those leases in the disclosure of short-term lease expenses in the annual reporting period that included the date of initial application.

Bank Soundness Level

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, 2021-2020 (self assessment)

Faktor Penilaian	Rating Per 31 December 2021	Rating Per 31 December 2020
Risk Profile	Rank 2	Rank 2
Good Corporate Governance (GCG)	Rank 2	Rank 3
Rentability	Rank 2	Rank 2
Capital	Rank 2	Rank 2
Composite Rating	Rating 2 (Healthy)	Rating 2 (Healthy)

Business Continuity Information

Things that Potential Significant Effect on Business Sustainability

The condition of the COVID-19 pandemic that continued in 2021 became one of the factors influencing the dynamics of the global and national economy. It also had an impact on the Bank's business performance although in general it was not too significant. However, competitive advantage, continuous transformation and innovation, as well as the implementation of adaptive strategic policies were able to further reduce the impact of the pandemic on the Bank's business performance. This was reflected in financial performance which still experienced positive growth throughout 2021.

Management Assessment Things that Affect Significant Affect to Business Sustainability

The Bank periodically evaluated matters relating to the continuity of the Bank's business in the future. This evaluation was reflected in the composite score of Bank Soundness Level (TKB) classified as healthy even during the pandemic. Based on the evaluation results, although there were several performance components that had not been optimally achieved, with the accommodative targeted policies adopted by management, banks could mitigate risks that had a significant effect on financial performance throughout 2021.

Payment of Taxes

Total tax payments for the period January to December 2019 and 2020 are presented as follows.

Table of Payment of Taxes

(in Full Rupiah)

Description Pajak	Year 2021	Year 2020
Income Tax Article 25	342,846	364,312
Income Tax Article 29	131,299	57,631
Income Tax Article 21	20,291	20,274
Income Tax Article 23/26	13,492	14,928
Total	507,928	457,145

Non-Compliance with Tax Payments

In the 2021 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 2021 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 loan from the demand and supply side, monetary and macroprudential stimulus, as well as accelerating

Assumptions Used by Management In Conducting The Assessment

Several assumptions becoming the consideration by the Bank in conducting an assessment of the Bank's business continuity included the following:

1. Bank soundness level which included assessment of risk profile, profitability/earnings performance, capitalization and implementation of Good Corporate Governance (GCG);
2. Analysis of global, national, and regional economic conditions;
3. Competitiveness analysis which included the Strength, Weakness, Opportunities and Challenges (SWOC) matrix, Segmentation, Targeting and Positioning (STP) analysis, as well as analysis of the Bank's position in facing business competition.

Taxation 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.

In addition, the Bank Indonesia benchmark interest rate was even the lowest in Indonesia's history. However, in line with optimism for improving economic growth, it was predicted that the benchmark interest rate in 2022 will increase by up to 50 bps while taking into account global and domestic economic conditions. Bank Indonesia's focus in 2022 is still the same as in previous years, namely maintaining the stability of the Rupiah exchange rate with a triple intervention strategy, namely intervention in the spot market, Domestic Non Deliverable Forward (DNDF) market, and purchasing SBN in the secondary market.

Meanwhile, from a global perspective, the policy of the United States Central Bank (Federal Reserve Bank) or commonly known as The Fed was not much different from Bank Indonesia. The Fed maintained its benchmark interest rate at a record low near zero until the end of 2020 and the policy continues until the end of 2021. It was predicted that the Fed's interest rate will increase up to 50 bps in 2022 in line with the improving economic conditions and the policy to reduce asset purchases or known as tapering which has started to run at the end of 2021. This decision was a step a first for the Fed to withdraw the large amount of assistance the United States central bank has provided to its markets and economy throughout the COVID-19 pandemic. Tapering itself was the initial phase taken by the United States to restore its economic position after months of implementing Quantitative Easing (QE).

The condition of banking liquidity during 2021 is still quite ample, apart from the growth in deposits which is also due to loan and financing growth that has not been maximized, especially in the conditions of the COVID-19 pandemic that occurred during 2021. The government has prepared policies and stimuli for banks and the broader community in the context of the recovery of the national economy, some of which are the stimulus for loan interest rates, relaxation of loan installment payments, the provision of direct cash assistance, and incentives for certain banking aspects. These are the things that keep banking liquidity maintained.

RIM's average for 2021 was in the position of 58.11%. Other liquidity indicators such as the LCR ratio, NSFR and fulfillment of PLM (Macroprudential Liquidity Buffers) 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 making adjustments to the deposit and loan interest rates that were decided at the ALCO Meeting selectively while taking into account the performance targets of Bank Jatim in 2021 and supported by optimizing the increase in loan volume, maintenance cost of funds and increased income from transaction fee based income and efficiency of overhead costs.

The potential decline in bank loan yields resulting from the response to lower interest rates is balanced by efforts to increase loan volume during 2021 YoY to IDR42.74 trillion and focus on loan growth by maintaining asset quality, especially during the COVID-19 pandemic. Bank Jatim deposits at the end of December 2021 grew YoY to IDR83.2 trillion. DPK growth increased the performance of the Bank's Assets by 20.45% from the previous year to IDR100.72 trillion until the end of 2021. The Bank continues to optimize business performance by continuing to make improvements and business development along with policy adjustments that support improving the quality of business processes.

Prohibitions, Limitations and/or Significant Obstacles to Provision of Funds Between Bank and Other Entities in a Business Group

Maximum Limit for Loans and Provision of Large Funds

Bank Jatim as one of the financial intermediary institutions owned guidance in running its business; one of which was related to providing funds to related parties. Bank Jatim in providing the provision of funds to related parties was subject to the Regulation of the Financial Services Authority of the Republic of Indonesia Number 32/POJK.03/2018 concerning the Maximum Lending Limit (BMPK) and the Provision of Large Funds for Commercial Banks.

Maximum Loans Limit, hereinafter abbreviated as LLL, was the maximum percentage of provision of funds set against the Bank's capital for providing funds to related parties as well as the Bank's tier 1 capital for providing funds to other than related parties.

Provision of Funds to Related Parties

The portion of the Portfolio of Provision of Funds to Related Parties with Banks as a whole according to FSA regulations was set at a maximum of 10% (ten percent) of the Bank's Capital, and the related parties were:

1. Individuals or companies controlling the Bank;
2. Legal Entity in the event in which the Bank acted as controller;
3. The company in the case of an individual or company as referred to in letter a acts as controller;
4. Members of the Board of Directors, members of the Board of Commissioners, and Executive Officers of the Bank;
5. Parties who had family ties horizontally or vertically:
 - a. From an individual controlling the Bank as referred to in letter a; and
 - b. From members of the Board of Directors and/or members of the Board of Commissioners at the Bank as referred to in letter d;
6. Members of the Board of Directors and/or members of the Board of Commissioners of the company referred to in point 1, point 2, and/or point 3;
7. Companies of which members of the Board of Directors and/or members of the Board of Commissioners were members of the Board of Commissioners of the Bank;
8. Companies in which 50% (fifty percent) or more of the members of the board of directors and/or members of the board of commissioners were directors and/or commissioners of the company as referred to in point 1, point 2 and point 3;
9. Companies that:
 - a. Members of the Board of Directors, members of the Board of Commissioners, and/or Bank Executive Officers as referred to in letter d act as controllers; and
 - b. Members of the Board of Directors and/or members of the Board of Commissioners from the parties as referred to in point 1, point 2, and/or point 3 act as controllers;
10. Collective Investment Contract in which the Bank and/or the parties as referred to in letters a to letter l own 10% (ten percent) or more shares in the investment manager of the collective investment contract;

11. Companies that had financial relationships with Banks and/or parties as referred to in points 1 to 10;
12. The borrower was an individual or a non-Bank company that had financial relationships through the provision of guarantees to parties as referred to in points 1 to 11;
13. Borrowers who had financial relationships through guarantees provided by parties as referred to in points 1 to 11;
14. Other Banks that had financial relations through providing guarantees to parties as referred to in points 1 to 11 in the event that there was a counter guarantee from the Bank and/or parties as referred to in points 1 to 11 to said other Banks; and
15. Other companies in which there was an interest in the form of share ownership of 10% (ten percent) or more independently or jointly, from the parties as referred to in point 5

In accordance with the description of the related parties above, therefore, the provision of loans to the Board of Directors and Commissioners was also included in the provision to Related Parties in which the granting of loans to the Directors and Commissioners had to obtain approval from the Board of Commissioners. Funding to Related Parties had been regulated by the Financial Services Authority and the Company's provisions, namely the Bank Jatim Minimum Lending Limit Policy. The provisions and procedures for granting loan to the Board of Directors and the Board of Commissioners applied the same as lending to prospective debtors of Bank Jatim in general and were given according to market interest while still considering the principle of prudence.

Apart from that, there were also provisions regarding other parties which were regulated, namely:

1. Banks were prohibited from providing Provision of Funds to Related Parties that were contrary to the general procedures for Provision of Funds.
2. Banks were prohibited from providing Provision of Funds to Related Parties without the approval of the Bank's Board of Commissioners.
3. Banks were prohibited from buying low quality assets from Related Parties.
4. In the event that the quality of Provision of Funds to Related Parties declined to substandard, doubtful or non-performing, the Bank was required to take steps to correct it by:
 - a. Repayment of Loans no later than 60 (sixty) days after the decline in the quality of Provision of Funds; and/or
 - b. Restructuring Loan since the decline in the quality of Provision of Funds.
5. In the event that the Bank provided Provision of Funds in the form of Equity Participation which caused the party in which the Bank made Equity Participation to become a Related Party, the Bank was required to ensure:
 - a. The Provision of Funds Plan was set at a maximum of 10% (ten percent) of the Bank's Capital;
 - b. Provision of Funds that would be and had been given to the party in which the Bank made Equity Participation after adding the entire portfolio of Provision of Funds to related parties was set at a maximum of 10% (ten percent) of the Bank's Capital; and
 - c. Fulfilling the provisions as referred to in points 1,2 and 3.

Provision of Funds to Other Than Related Parties

1. Provision of Funds to 1 (one) Borrower other than a Related Party or 1 (one) Group of Borrowers other than a Related Party).
2. Banks were required to determine the classification of Borrowers in a group of Borrowers in the event that the Borrower had a controlling relationship with other Borrowers through ownership, management, and/or financial relationships,
3. The ownership, management, and/or financial relationship as referred to in paragraph (1) included the following criteria:
 - a. The Borrower was the controller of another Borrower;
 - b. 1 (one) same party was the controller of several Borrowers;
 - c. 50% (fifty percent) of the members of the Board of Directors and/or members of the Board of Commissioners of the Borrower became members of the Board of Directors and/or members of the Board of Commissioners of other Borrowers;
 - d. The Borrower had a financial relationship with other Borrowers; and/or
 - e. The Borrower had a financial relationship in the form of issuing guarantees to take over and/or pay off part or all of the obligations of other Borrowers in the event that other Borrowers failed to fulfill obligations to the Bank.
4. The classification of the Borrower group did not apply to:
 - a. Provision of Funds Facility provided by the Bank to debtors in the Bank's business activities in general; and
 - b. Providing guarantees by insurance companies, guarantee companies, the Government of the Republic of Indonesia, and/or governments of other countries.
 - c. Providing loans to debtors through companies using the forwarding method;
 - d. Providing Loans with a nucleus-plasma partnership scheme with a core company scheme to guarantee Loan to plasma;
 - e. Provincial Government and Regency/City Government as well as between each Regency/City Government.

Provision of Funds considering in calculating the LLL and Provision of Large Funds was the entire Provision of Funds in the banking book and trading book positions. The carrying amount used in the calculation of Provision of Funds was the carrying amount of the asset plus interest claims that had not been received before deducting the allowance for impairment losses on assets according to accounting standards. The provision of funds was the investment of Bank funds in the form of:

- a. Placement;
- b. Derivative transactions;
- c. Securities;
- d. Securities sold under agreements to repurchase (repo);
- e. Claims on securities purchased with agreements to resell (reverse repo);
- f. Acceptance bill;
- g. Loans;
- h. Equity capital;
- i. Temporary equity participation;
- j. Administrative account transactions; and
- k. Other forms of provision of funds that could be equated with letters a to j.

Provision of Bank Funds to SOEs for development purposes was set at a maximum of 30% (thirty percent) of the Bank's Capital.

Credit Risk Mitigation Techniques

Bank Jatim was required to apply the Credit Risk Mitigation Technique which met certain requirements in calculating the LLL in the event that Bank Jatim recognized the existence of collateral, guarantee, or loan insurance as an Credit Risk Mitigation technique in calculating weighted assets according to credit risk standard approach. The application of the Credit Risk Mitigation Technique as referred to was applicable in the event that the Borrower and Guarantor or the issuer of the collateral were other than the Related Party.

Certain LLL Treatment

Sometimes the LLL calculation could be done, including:

1. Provision of Funds to the Central Government;
2. Placement with Bank Indonesia; and
3. Purchase of Securities issued by the Government of the Republic of Indonesia and/or Bank Indonesia;
4. Provision of Funds that obtained guarantees from the Government of the Republic of Indonesia;
5. Provision of export-oriented funds to financial institutions that met certain requirements;
6. Provision of Funds that obtained guarantees from financial institutions that met certain requirements;
7. The portion of Provision of Funds guaranteed by certain collateral and mets certain requirements;
8. Part of Provision of Funds to Borrowers obtaining guarantees from Prime Bank as long as the guarantees provided met the requirements;
9. Provision of Funds that had become a factor for reducing Capital as referred to in the Financial Services Authority Regulation which regulated the minimum capital requirement.

Exceeding LLL

Provision of Funds by Banks was categorized as Exceeding the LLL caused by:

1. Decrease in Bank's Capital or Core Capital (tier 1);
2. Changes in exchange rates;
3. Changes in fair value;
4. Business merger, change in ownership structure and/or change in management structure that caused changes in Related Parties and/or Borrower groups; and/or
5. Changes to terms

Determination of the Borrower in the calculation of the Exceeding the LLL was made in accordance with the provisions for the calculation of Provision of Funds and was calculated based on the value recorded on the date of the report.

Table of Total Provision of Related Party Funds in 2021

No	Provision of Funds	Number	
		Number of Account (NoA)	Nominal (in IDR million)
1	Kepada Pihak Terkait	146	178,557
2	Kepada 50 Debitur Inti		
	Individu	50	5,432,993
	Group		
	Total Debitur Inti	50	5,432,993

Table of Total Provision of Bank Funds to Related Parties in 2021

Description	Nominal (in IDR million)
Capital On Report Date	9,660,344
LLL (10% of Capital) On Report Date	966,034
Outstanding Related Parties	178,557
Leeway LLL	787,477
Exceeding LLL	Nil

Spot Transactions and Derivatives

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 Transaction Reports and Derivative Transactions

(in IDR million)

No	TRANSACTION	BANK									
		2021					2020				
		Notional Value	Purpose		Derivative Receivables and Liabilities		Notional Value	Purpose		Derivative Receivables and Liabilities	
			Trading	Hedging	Bill	Trading		Trading	Hedging	Bill	Trading
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	-	-	-	-	-	-	-	-	-	



Human Capital

“ Bank Jatim’s Human Capital development strategy is to make changes to Human Capital that is superior, independent, competitive and professional which is the basis for building a GRC support process and strong capital, accompanied by quality resources who have a good work culture and have a reliable information system at work. competency-based Human Capital management.

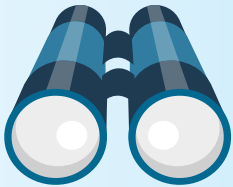


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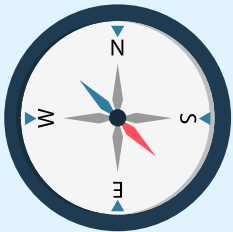
Framework Human Capital

Vision and Mission of the Human Capital Division



VISION

“To become a center for human resource development that is adaptive with a global perspective and inspires change.”



MISSION

- 1 Improving HR competencies that inspire positive change.
- 2 Implement digital-based HR services .
- 3 Manage HR based on RBB effectively.

GOAL

The objectives of making the Blueprint for Human Capital development are as follows:



The Bank has guidelines in the implementation, acceptance, development and management of HR.

1



The Bank has guidelines in enforcing rules and regulations as well as transparency in the provision of rewards and punishments that can be understood by employees at all levels of the organization.

2



The creation of the implementation of HR management that provides convenience for employees with digital services to support the achievement of the Bank’s goals by applying the principles of good corporate governance.

3



Implementation of accurate, safe and fast administration and documentation in meeting the needs of HR management information systems.

4

HUMAN CAPITAL DEVELOPMENT STRATEGY

Human Capital development strategy was to make changes in Human Capital towards superior, independent, competitive and professional Human Capital. This strategy became the basis for building a supporting process for GRC (Governance, Risk & Compliance) as well as strong capital, accompanied by quality resources with a good work culture and having a reliable information system on competency-based Human Capital management. A comprehensive and integrated plan related to Human Capital development included the following:

- Calculating Employee Needs based on the organizational structure (SO) by aligning the targets in the bank's business plan.
- Making employee career paths in order to perfect the succession plan mechanism to fill key positions so that the regeneration process for leaders in the organization could run in a sustainable manner.
- The regeneration development program (talent management) and employee promotion were carried out based on employee performance appraisals, competency and skill assessments taking into account track records.
- Improvement and development of the employee performance appraisal system with the concept of Key Performance Indicator (KPI) based on a balanced scorecard that was more transparent and objective for the Cash Office Manager level by using financial performance automation and maintaining coordination with the Strategic Planning & Performance Management Division and other work units.
- Implementation of Work Life Balance to maintain the balance of work and personal life of employees.
- Improving the policy of the employee recruitment system in accordance with the needs of the Bank.
- Fulfillment of HR needs through the recruitment of new employees according to the competence of the position.
- Improving the employee remuneration system that was competitive and based on performance given in accordance with the Bank's capabilities.
- Strict application of Reward & Punishment for all employees in accordance with the applicable provisions in accordance with the Decree of the Board of Directors No.059/197/DIR/HCP/KEP, dated August 7, 2020 regarding the guidelines for implementing the Reward & Punishment System.
- Development of Learning Centers to improve the quality of HR becoming competitive assets for the Bank, including the gradual and sustainable improvement of facilities and infrastructure for the Bank Jatim Learning Center building.
- Increasing the competency of prospective assessors as personnel in the plan to establish an Assessment Center which was useful for measuring the competencies and profiles of employees aiming to obtain information related to gap competencies from employees that could be used as employee development on an ongoing basis carried out by 40 people in August 2021.
- Development of Human Capital competencies through education, programmed training and certification programs which were held on an annual basis.
- Increasing the competency of prospective assessors as personnel in the plan to establish an Assessment Center which was useful for measuring the competencies and profiles of employees aiming to obtain information related to gap competencies from employees that could be used as employee development on an ongoing basis, which had been carried out by 40 people in August 2021.
- Development of Human Capital competencies through education, programmed training and certification programs held on an annual basis.
- Employee engagement survey as a tool to measure the level of emotional attachment of employees to the company through mobile apps (Voice of employee).
- Implementation and improvement of the Human Capital program based on online applications (web & mobile apps) e-Human Capital focusing on delivering fast, precise, effective and controlled information that was adapted to developments and made it easier for the Human Capital Division of Bank Jatim to monitor the development and services provided to employees of Bank Jatim.
- Development of E-Mutation applications and MIS-Outsourcing/TAD applications focusing on fast, secure and controlled data management so that there were no errors in implementation.

Human Capital Management

Recruitment Policy and Implementation

Competent and quality human resources became one of the assets in competition. Like competition in the development, production and marketing of a product, a business also competed in identifying, attracting and obtaining the best qualified human resources. This series of activities was commonly referred to as recruitment and selection of workers. The management of Bank Jatim paid full attention to the implementation of recruitment and selection of prospective workers because this became the first step in managing human resources at Bank Jatim as a whole.

Recruitment Principle

1. The implementation of recruitment is preceded by the Human Resources (HR) planning process as outlined in the Establishment of Formsi.
2. A good recruitment program if it meets the following factors::
 - a. Recruitment attracts many qualified applicants.
 - b. Consistency of established standards.
 - c. Takes place on a continuous basis.
 - d. Principles of justice and honesty.

Recruitment Source

1. In finding candidates or talents with appropriate qualifications can be obtained through the following sources:
 - a. Internal sources
 - b. External sources
2. What was meant by internal sources as referred to in number 1 point (a) were individuals who worked at the Bank but did not have the status of Permanent Employees of the Bank, but having the status of an Outsourced Personnel from an Outsourcing Service Provider Company collaborating with the Bank.
3. Internal resources were implemented as long as the prospective workers were judged to have the ability and meet the requirements and obtain recommendations from the Head of the Work Unit (Division Leader/Branch Leader) where the outsourced workforce was assigned.
4. Recruitment using internal sources has advantages among others:
 - a. Relatively frugal compared to recruitment patterns using external sources.
 - b. Management knows the advantages and disadvantages of prospective workers, and vice versa prospective workers already know the condition of Bank Jatim.
 - c. Give hope to qualified individuals.
5. Recruitment using internal sources also has shortcomings:
 - a. Loss of opportunity to get "new blood" as well as new visions brought from outside.
 - b. The tendency to maintain the status quo.

6. What is meant by external sources as the number 1 point (b) is outside labor that does not or has not worked at the Bank.
7. Recruitment of external sources can also be one of the sources to recruit employees with special records or achievements such as in the field of sports, arts and academics that will support the bank's corporate image.
8. Recruitment using external sources has advantages including:
 - a. Outside workforce candidates will bring new ideas and insights to the Bank.
 - b. The number of applicants will be more so that the Bank has many alternative options.
9. Recruitment using internal sources also has shortcomings:
 - a. Less well known the ability and expertise of prospective workers so that the Bank faces risks in the future.
 - b. Banks bear opportunity losses due to loss of time caused by applicants who are accepted will be oriented to the new job.

Recruitment Methods

1. In carrying out recruitment there are methods that can be done among them:
 - a. Open Method
 - b. Closed Method
2. Recruitment using open methods as number 1 point (a) mentioned above is a recruitment method where the Bank posts jobs that are publicly announced and can be followed by prospective applicants who meet the qualifications.
3. Recruitment using the closed method as referred to in number 1 point (b) above was a recruitment method where the Bank could offer directly to prospective workers to fill certain positions with special qualifications or expertise. This method could be applied to the recruitment of experienced employees with special skills and/or recruitment of personnel who owned certain achievements as well as transfer programs.

In 2021, 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, Bank Jatim recruited 407 (four hundred and seven) new employees consisting of Credit Analysts, Frontliners, Auditors and Information Technology, 7 (seven) Dealer Personnel from internal recruitment of Banks, 2 (two) Independent Parties of the Board of Commissioners Committee, 10 (ten) Sharia Taksatur Personnel, 48 (forty-eight) Non-Career Employee Line Transfer Program and 184 (one hundred and eighty-four) fulfillment of Outsourcing Personnel (TAD). 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 2021, there were 21 (twenty-one) employees who resigned, 21 (twenty-one) employees who died, 34 (thirty-four) retired employees and 9 (nine) employees were dismissed for indisplener. As for recruitment, throughout 2021 Bank Jatim has recruited 407 (four hundred and seven) new employees with competence in the field of Credit, Fronliner, Auditor and Information Technology, 7 (seven) Dealer personnel from the Internal Bank line, 2 (two) Independent Parties of the Board of Commissioners Committee, 10 (ten) Sharia Taksatur Personnel and 48 (forty-eight) employees to transfer lines.

Table of Employment Contracts (TKIK) Recruitment

Age	2021		2020		2019	
	Man	Woman	Man	Woman	Man	Woman
< 30 years old	147	202	5	-	1	-
30 – 50 years	30	39	-	-	-	-
> 50 years	1	-	-	-	-	-

Competency Development Policy And Implementation

The competency development program implemented by Bank Jatim in 2021 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.

During 2021, the Bank has included employees in education that suits their positions and needs with a total of 3,348 participants from 4,500 employees.

Table of Bank Jatim Employee Training in 2021

Type of Training	Number of Training	Number of Participants
Public Training	79	375
In House Training	109	5,140
Board of Commissioners/Directors	1	1
Certification Program	22	781

As a step in strengthening the IT sector, the Bank has conducted IT trainings for employees. These trainings include :

No.	Type of Training	Number of Participants
1.	Webhozz Training Course Program	2
2.	System Administrator Training (Linux) + Exam	2
3.	"Certified Data Science For Manager (CDSM) + Exam" Training	2
4.	Big Data Analytics Training	3
5.	Restful Apis Nodejs Pelatihan Training	3
6.	Certified Associate In Project Management (CAPM) + Exam	2
7.	Public Training Comptia Pentes + (Course and Exam Certification)	2
8.	Webinar on Digital Banking Transformation Using Open Application Programming Interface (Open API)	4
9.	IT Risk Management Training	1
10.	Public Training Secure Web Android Programming	4
11.	IBM Server Training and Supporting Applications	19
12.	In House Training Troubleshooting Internet Banking and Oracle Database	24
13.	IHT Knowledge Transfer Related to Middleware (Business Intelligent Service) CBS Next GenerationLIH (NG)	54
14.	Outsystem Second Stage Training	17
15.	Information System Security Workshop	3
Total Number of Participants		142

In addition, the Bank also conducts trainings in other fields. The training includes :

No.	Field	Total	Number of Participants
1.	SERVICE FUND	22	661
2.	CREDIT	44	1.824
3.	MARKETING	13	511
4.	treasury	4	82
5.	KDP	1	144
6.	ACCOUNTANCY	3	8
7.	OBEDIENCE	24	1.352
8.	OPERATION	1	36
9.	HUMAN CAPITAL	8	223
10.	CORSEC	1	6
11.	AUDIT	10	41
12.	LAW	2	5
13.	RISK MANAGEMENT	6	11
14.	PLANNING	2	9

Career Development Policies and Implementation

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 2021, Bank Jatim carried out employee career development programs including the following:

- **Executive Officer Assessment Program**

Bank Jatim has carried out the Assessment for executive officials amounting to 89 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 2021 for filling positions is as follows:

No.	Position	Total
1.	Level Division Leader	1
2.	Sub-Division Leader/Branch Level Leader	21
3.	Sub-Branch Leader/PBO Level	42
4.	Supervisor/Analyst/Officer Level	130

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:

Description	Job Grade	Position	Personal Grade	Corporate Title	
ECHELON					
Echelon 1	G1	SEVP	18	Senior Executive Vice President	SEVP
Echelon 1	F3 F2 F1	Division Leader, Main Branch Leader	17	Executive Vice President	EVP
			16	Senior Vice President	SVP
Echelon 2	E3	Leader of LJTM Conventional Branch 1	15	Vice President	VP
	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 Leade	14	Assistant Vice President	AVP
			13	Senior Executive President	Sr. ExMgr
			12	Senior Manager	Sr. Mgr.
Echelon 3	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
Echelon 4	C3 C2 C1	Supervisor, Head of Cash Office, Analyst, Relationship Manager, Officer (Conventional and Sharia)	8	Senior Supervisor	Sr. Spv
			7	Supervisor	Spv.
			6	Assistant Supervisor	Ast. Spv.
NON ECHELON					
Echelon	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
		2	Junior Clerk	Jr. Clerk	
Basic Officer	A2 A1	Security guard, driver, office boy	1	Creation	-

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:

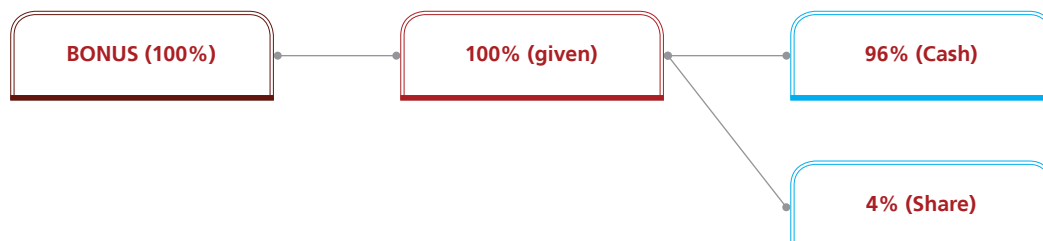
1. Law Number 40 of 2007 dated August 16, 2007 concerning Limited Liability Companies;
2. Financial Services Authority Regulation Number 55/POJK.03/2016 dated December 9, 2016 concerning Implementation of Governance for Commercial Banks;
3. Financial Services Authority Regulation Number 45/POJK.03/2016 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:

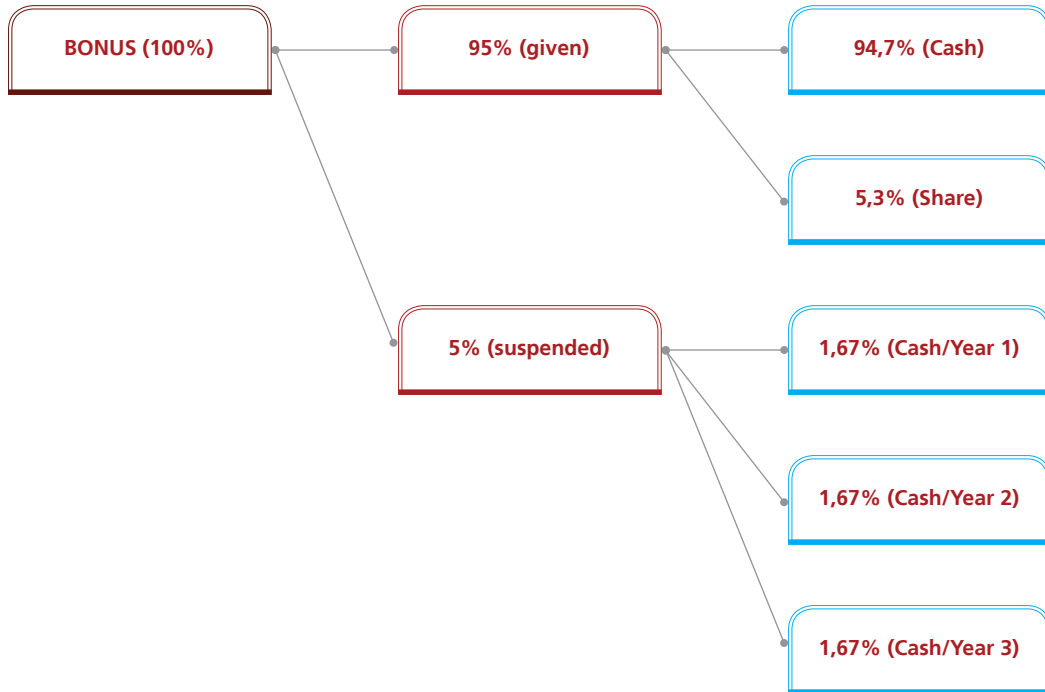
- President Director
- Field Director under the President Director
- Board of Commissioners

The percentage of variable remuneration for Bank Managers that is not included in the Material Risk Taker is as follows:

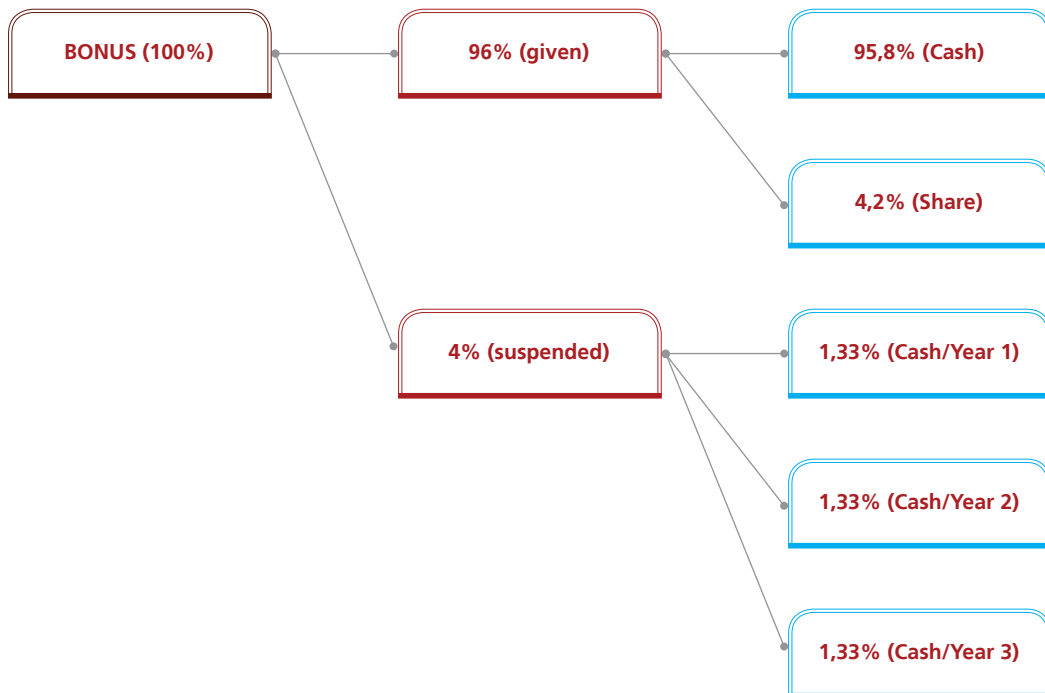


The percentage of variable remuneration for Bank Managers who is included as a Material Risk Taker is as follows:

PRESIDENT DIRECTOR AND COMMISSIONER



DIVISION DIRECTOR AND COMMISSIONER



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.

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 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.

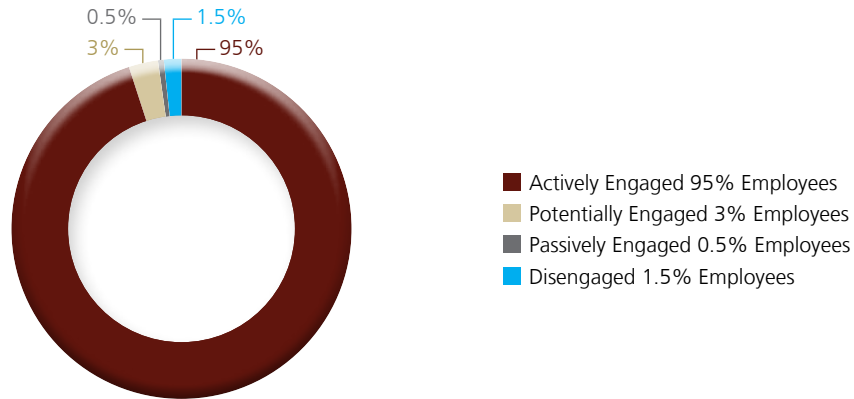
3. Employees will become loyal to the company because of the Employee Engagement at their place of work. They are also proud to tell and even suggest people they meet to use products or services that are owned by the company. Employee Engagement created more commitment from employees to the company. 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

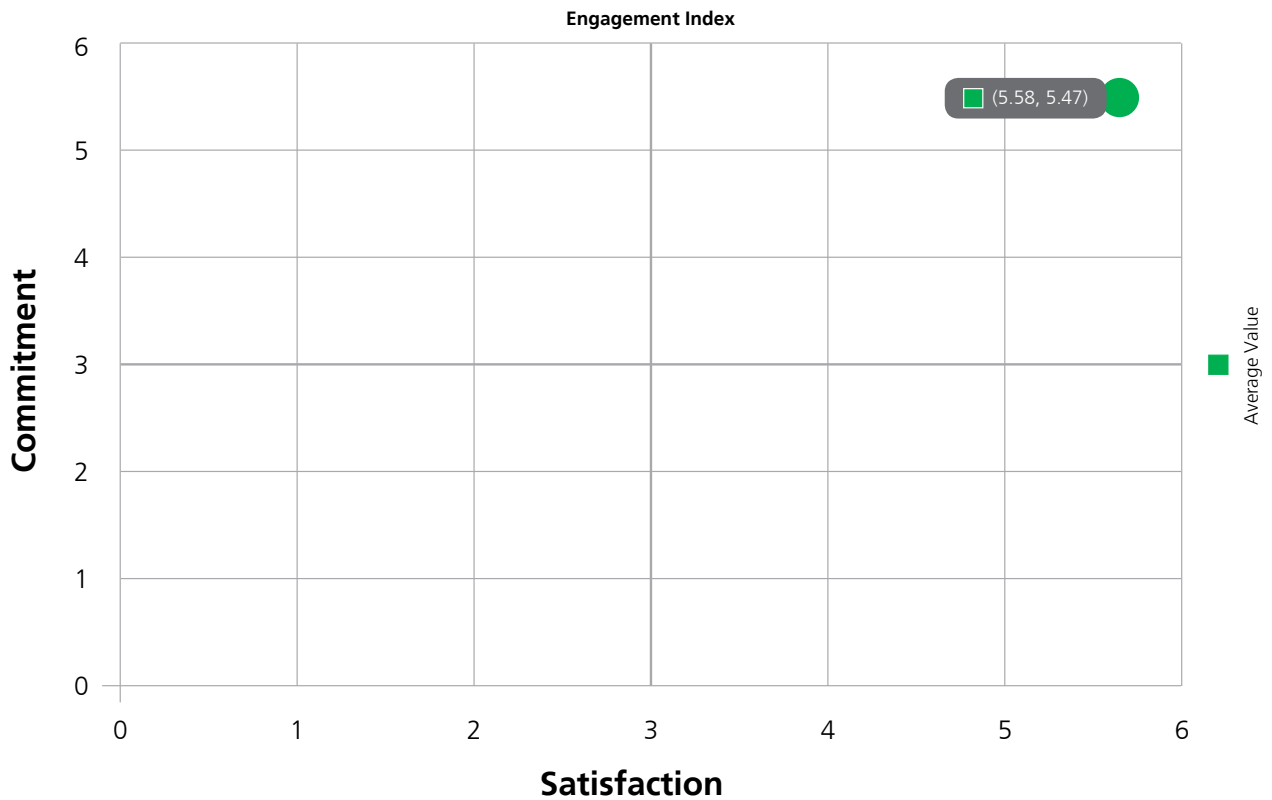
Employee Engagement is divided into 4 (four) levels, namely :

1. Actively Engaged (High Commitment and Engagemen) 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. Dissengaged (Low Commitment and Engagement) Employees at this level are a group of people who are most disconnected from the organization, often they feel underutilized, and do not get what they need from work. They can transmit negative thoughts to other employees.

From the survey that has been carried out by the Company, the results can be seen as follows:



Employee engagement matrix with the following results:



This means that the level of employee satisfaction with the company is at the point of 5.58 (Very Satisfied) increased from the previous year which is 3.00. From these results can be judged very well (to the right of the commitment and satisfaction axis) because it is not less than the middle value of the satisfaction level that has been set. Employee commitment to the company is at the point of 5.47, from these results can be categorized well because the value is above the middle value limit of employee commitment to the Company.

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 websitebased

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:

Human Capital Information System Enabling Human Capital Management in the Knowledge Era

Employee Self Service

- Personal data
- Family Data
- History of Rank and Position
- Punishment Reward Data
- Medical History Data
- Remuneration Data (Salary, Allowances, Deductions and others)
- Insurance Data
- Data on Leave, Permission, Sick
- Education History Data
- Certification Exam Results Data
- Work Life Balance

GCG Implementation:

- HR BPP data
- SE data/ BI regulations
- Directors' SKSE data on HR
- Data on Government Regulations on HR

Feature Application

Integrated Payroll and Income Tax System

Online Attendance

SPD Online

News:

- Division Notes/Letters
- National holiday
- Event News
- Obituary
- Training Information

Measurement System

Automation of Performance Measurement (Performance Measurement)

Service Culture Measurement Automation (Service Level Measurement) (Under Development)

Automated Work Load Analysis (In Development)

E-Learning (Assesment Product) Knowledge Management

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.

There are 4 perspectives on the KPI Scorecard:

1. Financial
2. Internal Bussines Procees
3. Customer
4. Learning and Growth

The performance system assessment is based on 2 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 CATEGORIES

GRADE RANGE

Outstanding

4.24 - 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

Culture Internalization

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

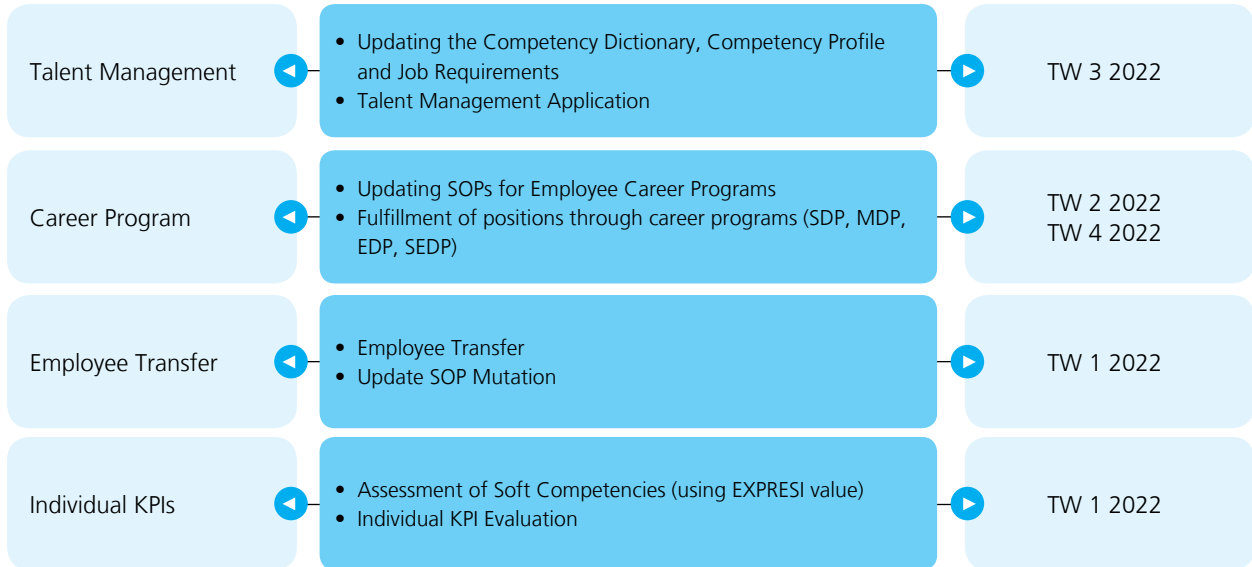
Reliable, loyal, and competent Human Capital (HC) is the main capital for the Bank in realizing its vision, mission, and business success. The Bank always prioritizes HC development, both individually and in team, as well as Corporate Culture development to build corporate culture as a business strategy 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.



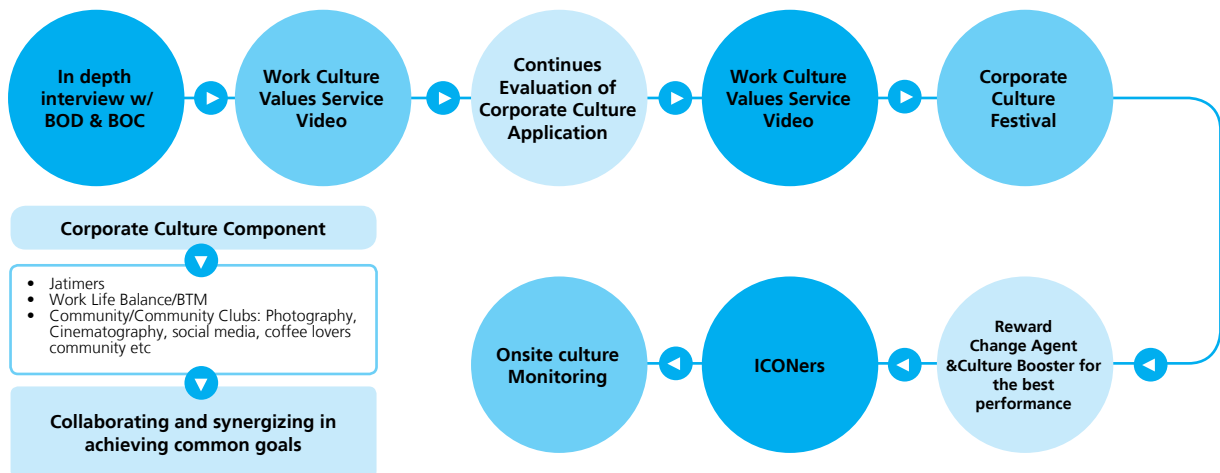
2022 Human Capital Work Plan

EMPLOYEE DEVELOPMENT & CAREER MANAGEMENT

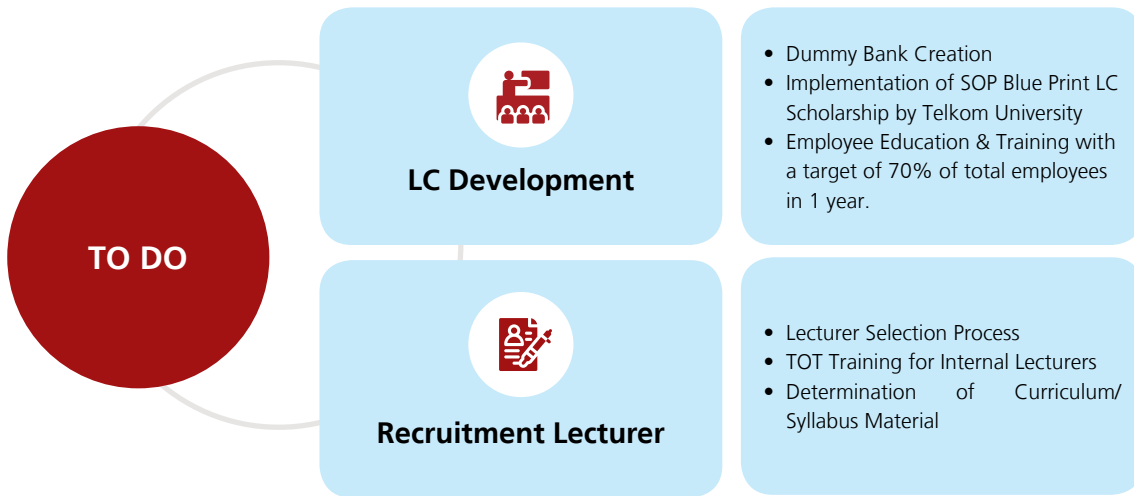


CORPORATE CULTURE

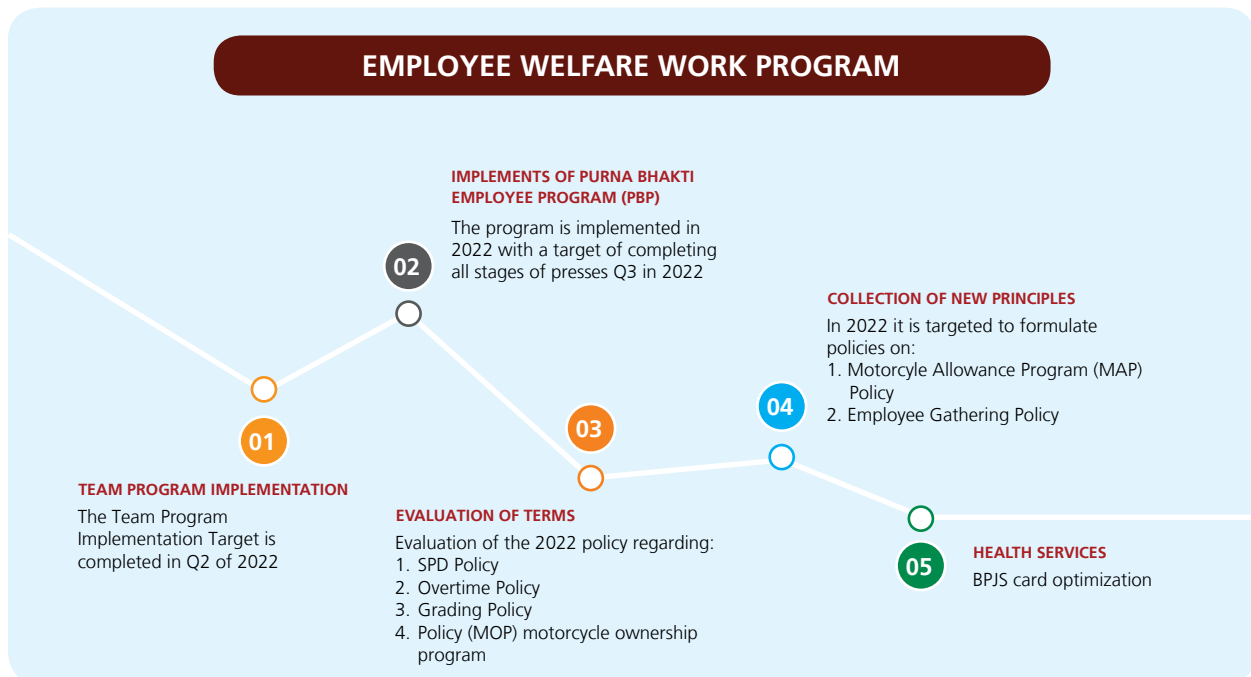
WORK CULTURE PROGRAM PLANNING TARGET UNTIL Q1 2022



LEARNING CENTER WORK PLAN 2022



EMPLOYEE WELFARE WORK PROGRAM



RECRUITMENT & ASSESSMENT CENTER WORK PROGRAM

RECRUITMENT

Regular Employee Recruitment is scheduled for Q1 2022

ASSESSMENT

1. Assessment of echelon 2, 3 and 4 officials
2. Implementing assessment
3. Assessment of Prospective Lecturers & Assessors
4. Assessment of Prospective Managers



POLICY DEVELOPMENT

Apprenticeship Policy Development



Information Technology

“ Bank Jatim has innovated and invested in technology in order to remain competitive in the era of the industrial revolution 4.0. In 2021, Bank Jatim launched JConnect as an information technology innovation to further facilitate services to the public.





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.

Outline of the 2020-2024 IT Strategic Corporate Plan to support the Banking Business, which is as follows:

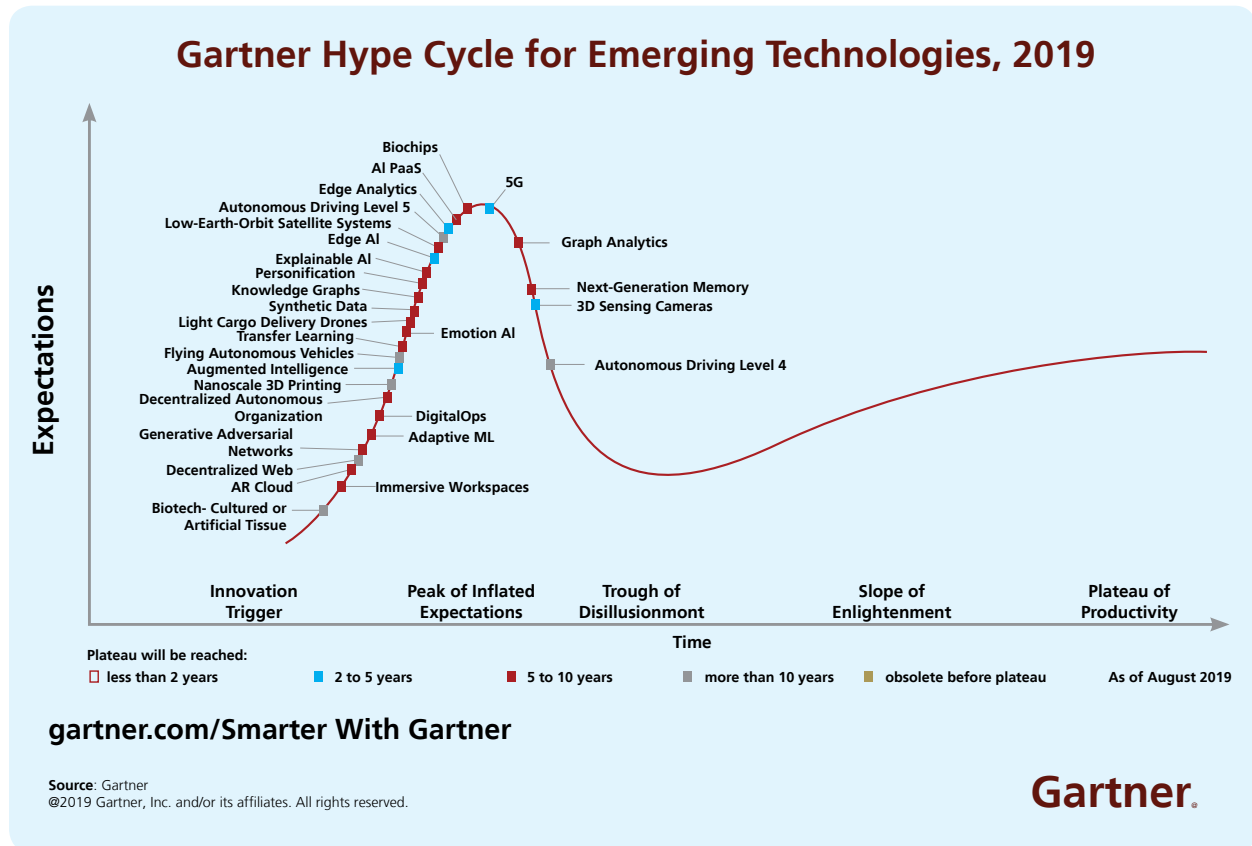
1. **Modernization of Core Banking System (CBS);**
The Core Banking System (CBS) owned by Bank Jatim currently employed Alphabits made by Telkomsigma since 2001 and repeatedly changed with the existence of Customer Requests (CR) to Telkomsigma to facilitate business processes at Bank Jatim. Currently the management feels the need to modernize the Core Banking System (CBS) to support business strategies in the field of Digital Banking.
2. **Digital Banking Improvement;**
Improving and strengthening Bank Jatim products to digital such as Customer Online Boarding, Credit Online, or KY.
3. **Strengthening IT Security;**
Industrial Revolution 4.0 demands the readiness and reliability of IT Security in the face of increasingly high penetration of internet users. There needs to be strengthening IT Security both in the field of infrastructure and applications and security awareness.
4. **Back Office Digitization;**
Optimization and simplification of business processes to be more efficient and optimal.
5. **Utilization of Big Data and Artificial Intelligence (AI);**
Big data and Artificial Intelligence (AI) are indispensable for decision making and business improvement optimization.
6. **Development of ecosystem cooperation and Open Banking;**
Increased cooperation with fintech and e-commerce and third parties through Open Banking.
7. **Improving the quality of Information Technology Human Resources (HR);**
There is an increase in the quality of Human Resources (HR) because technology developments are getting faster and faster so it is necessary to have quality human resources who are able to adapt to existing technological developments.
8. **Strengthening IT regulations/policies in the face of accelerated Digital transformation;**
The acceleration of digital transformation needs to be balanced by strengthening in the field of regulations / policies to remain in accordance with applicable regulatory regulations and can still be supervised for their use.
9. **Regional finance electronicification;**
To strengthen the effectiveness and efficiency of local government financial management.
10. **Support the provision of infrastructure and sharia business development;**
Provision of infrastructure and sharia business development is fully supported so that business plans in the field of digital banking can still be supported by Sharia businesses.

Information Technology Innovation

Changes in the marketplace and society required the bank to change towards digital banking, or services were run with the support of Information Technology. Some banking services are

now turning into IT-based self-service services. As a consequence of this change, there is an increasing demand for Information Technology support in carrying out future business changes.

According to Gartner, the development of digital banking can be described as in the picture below:

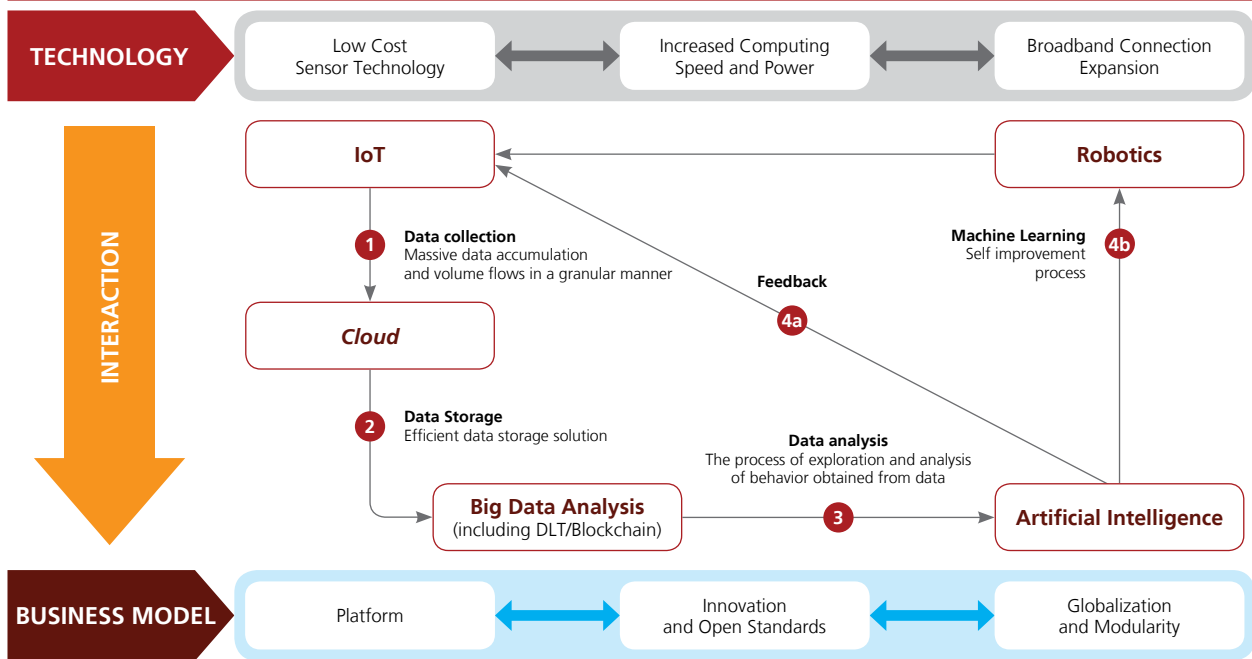


Development of Digital Banking according to Gartner. (Source Gartner)

Advances in digital technology brought about drastic changes, not only causing changes in people's lifestyles, but also driving significant changes in the modalities of business activities, including the financial services business. In the financial services business, digital technology encouraged the growth of non-bank businesses providing financial services using digital technology channels and platforms so that transactions could be made from anywhere and anytime.

Technological trends, especially banking, experienced many changes as the industrial revolution 4.0 went on. Utilization of Internet of Things (IOT) connectivity, big data, Augmented Reality (AR), artificial intelligence, cloud computing, cashless payments, robotic technology, machine learning, and biometrics had penetrated the banking world.

The Main Driver of the Digitalization Trend in the Industrial Revolution Era 4.0

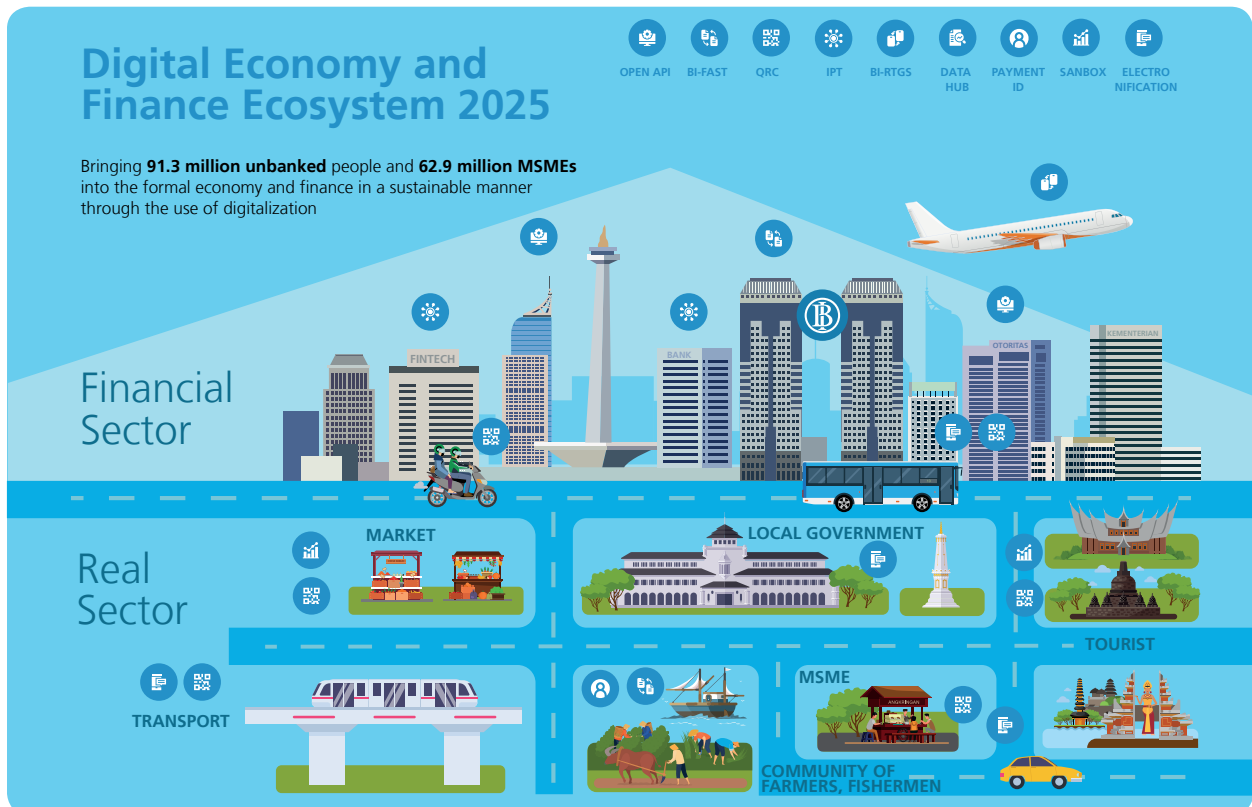


Source: Bank Indonesia, processed from various sources.

¹²viscusi et.al (2001) mendefinisikan predatory pricing sebagai "a pricing strategy designed to promote the exit of other firms"

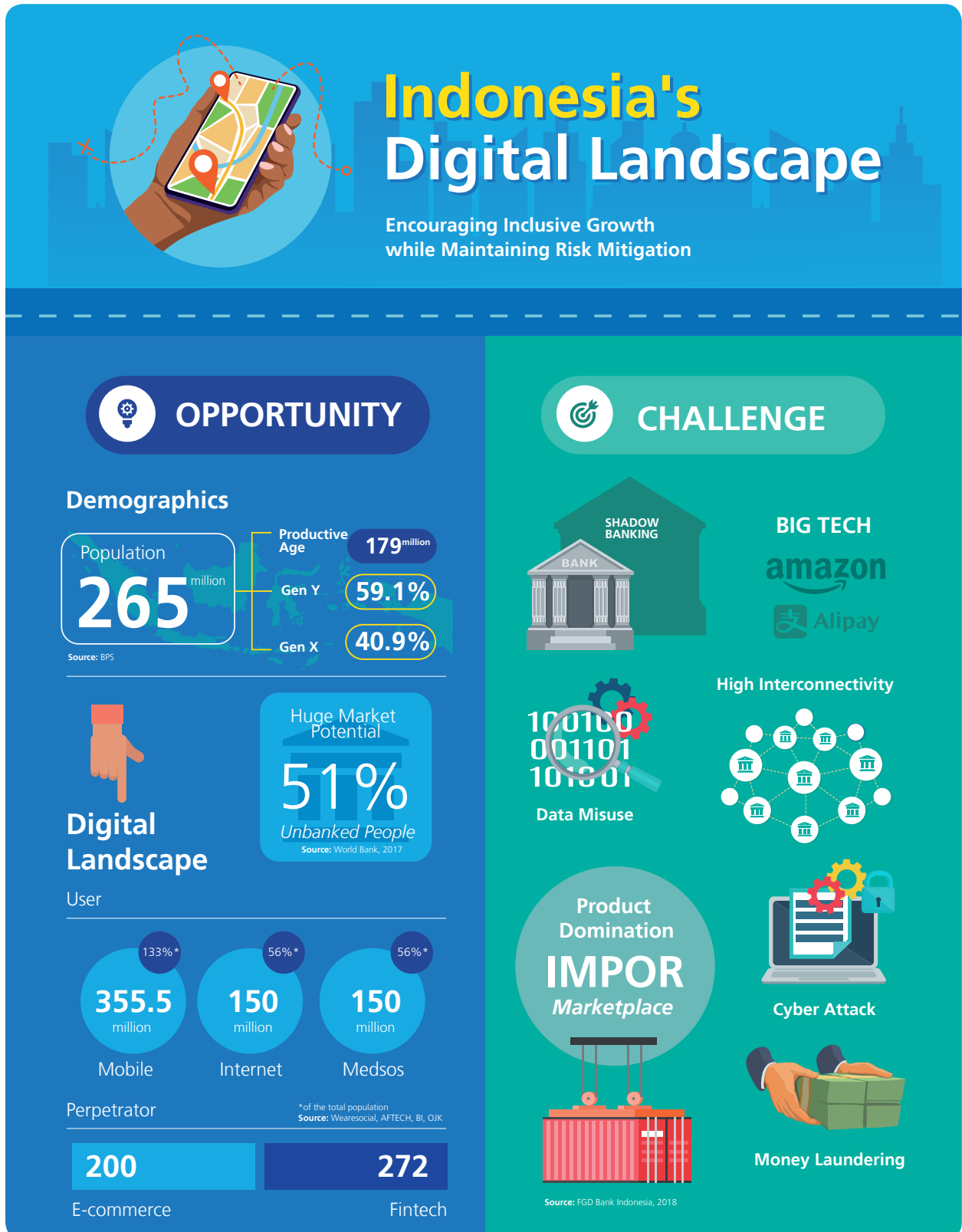
The Main Driver of the Digitalization Trend in the Industrial Revolution Era

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.



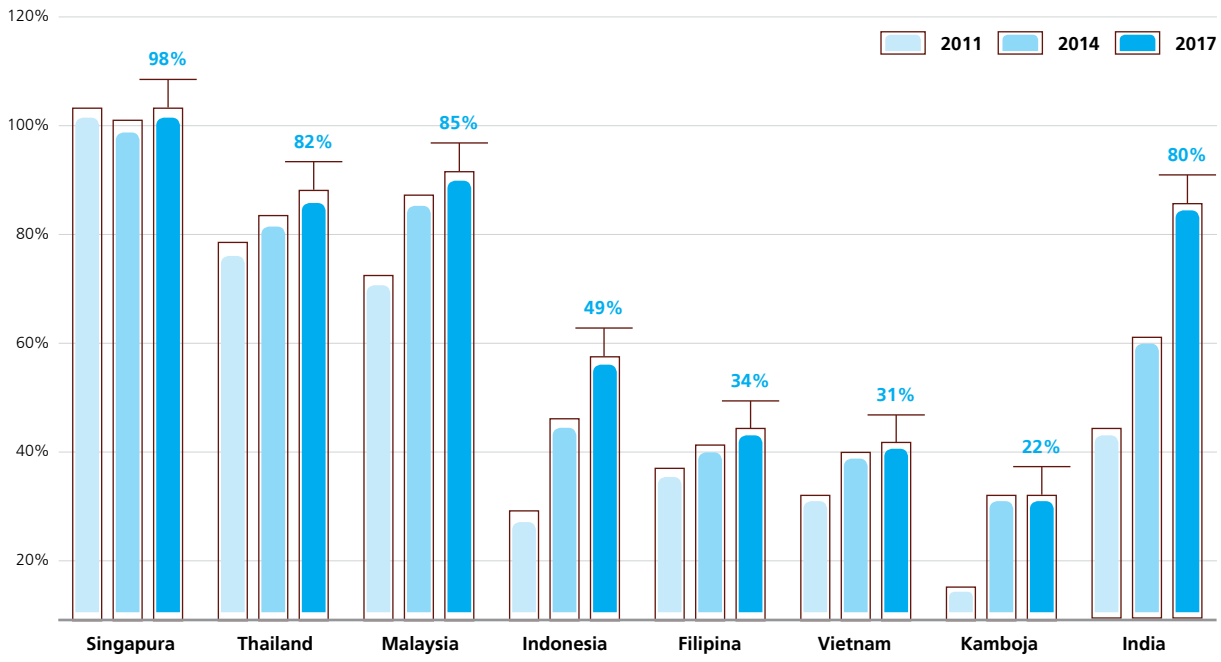
Digital Economy and Finance Ecosystem. (source: Indonesia Payment System Blueprint 2025)

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.



Indonesian Digital Landscape. (source: Indonesia Payment System Blueprint 2025)

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 62.9 million 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.



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 2021, 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 service to customers:

- a. JConnect Sipandai
- b. JConnect EKM
- c. JConnect Eloan
- d. JConnect Mobile
- e. Jconnect Internet Banking
- f. SMS Banking
- g. Jatim Kilat
- h. Peer to Peer Lending Host To Host With Amarnya Fintech
- i. ATM-CRM
- j. EDC
- k. QRIS, QRIS- No Face to Face
- l. Virtual Account
- m. Digital Lounge
- n. Apps for Government (Regional Finance Electronification Monitoring Application (eKD), e-Marketplace, e-Tourism, e-Retribution, and e-Bansos)

2. To optimize business processes:

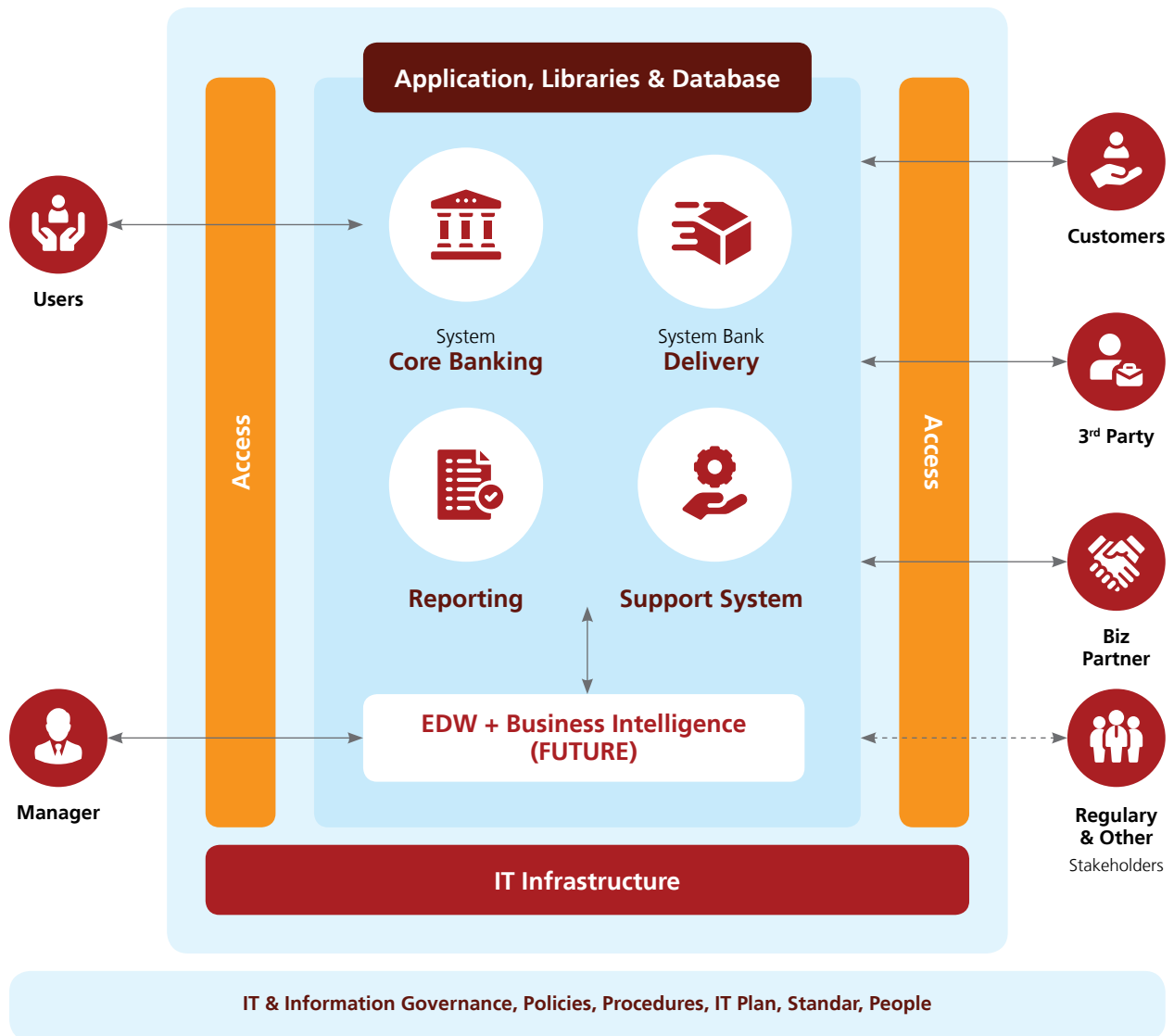
- a. Upgrade Mesin AS400 Core Banking System Bank Jatim
- b. ATM Monitoring
- c. Virtualisasi server
- d. Core Switch DC – DRC
- e. Credit Scoring

3. For Strengthening IT Security

- a. Application Security Testing
- b. End Point Security Management
- c. Email Security Gateway
- d. Log Management System
- e. Upgrade Load Balancer
- f. Two Factor Authentication & VPN Concentrator
- g. Web Application Firewall

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.



SPECTRUM

Secure
 Pervasive
 Expandable
 Centralized
 Timely
 Reliable
 User Friendly
 Measurable

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; 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.

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 dan Information Governance;
- Other policies;
- Standard;
- SOP;
- Annual plans and capacity planning.

The parties who interacted with the system could be divided into:

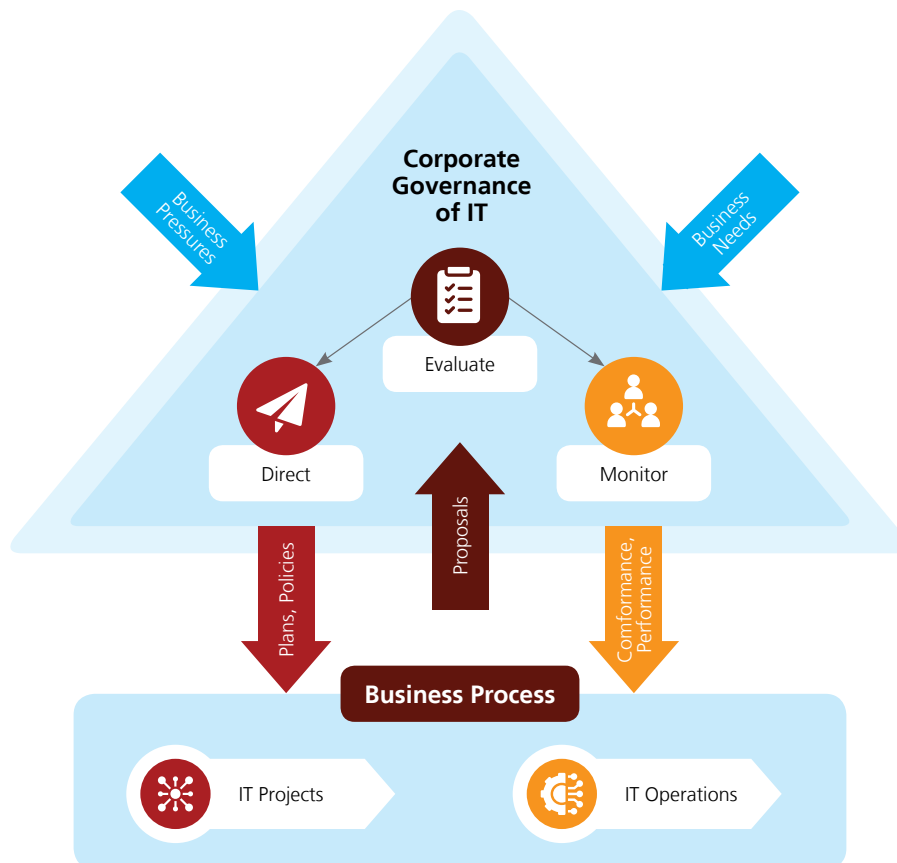
- User (Bank Jatim internal staff);
- Manager (decision makers at Bank Jatim at various levels);
- Customer
- Host-to-host connection to biz-partner; and
- Stakeholders and regulators who receive reports.

People included the organization, the adequacy of the number of personnel, and the adequacy of competencies to carry out an IT position.

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 follow:

1. Evaluating the use of Information Technology in current and future conditions;
2. Carrying out direct directions regarding the preparation and implementation of plans related to the use of Information Technology and ensuring that the use of Information Technology could meet the business objectives of Bank Jatim;
3. Monitoring the conformity of Information Technology planning implementation with Information Technology policies and performance.

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
- Bank Indonesia Regulation Number 23/6/PBI/2021 concerning Payment Service Providers.
- Control Objectives for Information and related Technology (COBIT) 4.1 sebagai salah satu 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 IT Risk assessment process applied the Risk Register form referring to the Financial Services Authority Regulation (POJK) No. 38/POJK.03/2016 and Circular Letter of the Financial Services Authority (SEOJK) No. 21/SEOJK.03/2017 regarding the Implementation of Risk Management in the Use of IT by Commercial Banks. The steps that needed to be taken in compiling a Risk Profile included the process of identifying assets and identifying risk domains, measuring risk, measuring probability, measuring impact, and determining Risk Value.

The Bank prepared a Risk Profile for the IT Division and all Applications that had a Critical Priority level. In carrying out internal control over these risks, management had to first ensure that there was risk awareness throughout the Bank's lines, namely:

- a. Risk awareness from executive officers and directors.
- b. Clear understanding of the Bank's risk appetite.
- c. Understanding of the applicable provisions.
- d. Providing an understanding of responsibilities regarding significant risks from every aspect related to IT implementation.

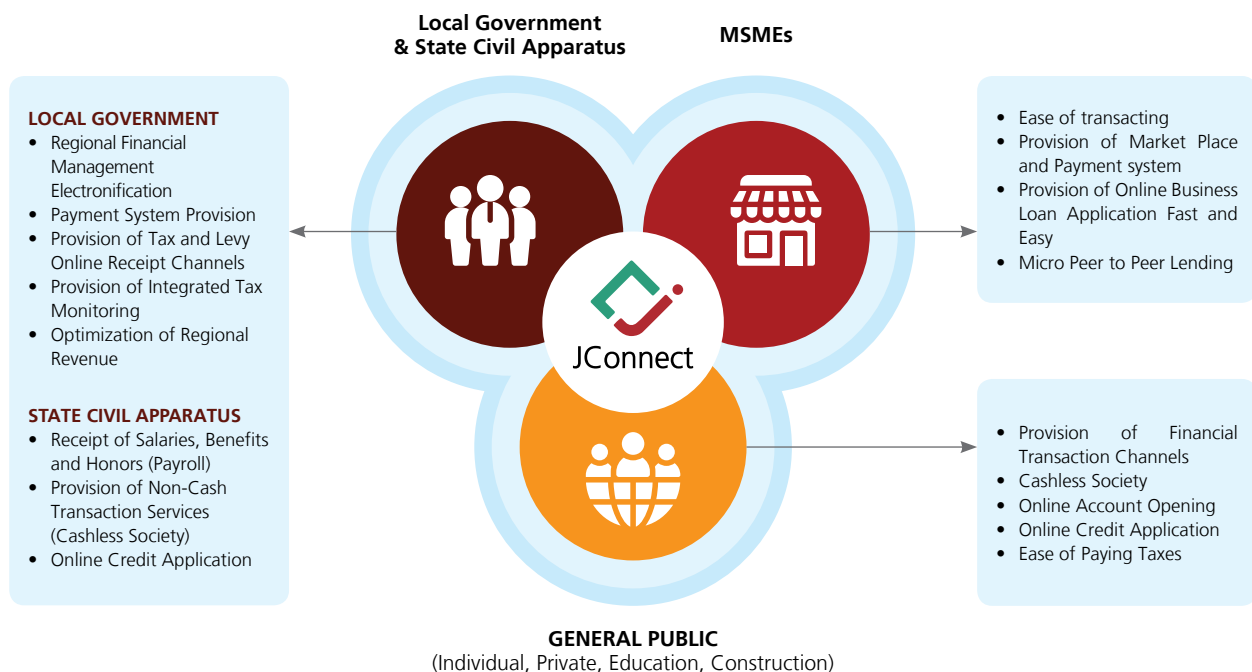
After risk measurement and internal control were carried out, the Bank conducted risk monitoring on a regular basis to reduce the risk on the assets that had been identified. From the results of the IT Risk Rating assessment, Bank Jatim could be classified as **Low To Moderate**.

Information Technology Development Strategy for the Future

With various digital services that were currently owned by Bank Jatim and would be developed more widely in the future, Bank Jatim through "JConnect" was ready to provide convenience, commitment, collaboration, and financial connectivity to presenting digital banking services that were not only available, but also in accordance with the needs of customers and the community. "JConnect" rebranded the existing Digital Bank Jatim application, starting with:

1. Bank Jatim Mobile Banking Application becomes "JConnect Mobile";
2. The Bank Jatim Internet Banking application becomes "JConnect Internet Banking";
3. The Laku Pandai Bank Jatim application becomes "JConnect SiPandai";
4. The Bank Jatim E-Loan application becomes "JConnect E-Loan";
5. The Bank Jatim E-KMG application becomes "JConnect E-KMG".

In its implementation, "JConnect" has 3 (three) important pillars as the basis for developing digital service innovation, namely:



3 (Three) Pillars of Bank Jatim Digital Service Innovation

1. Local Government (Pemda) and State Civil Apparatus (ASN),

Bank Jatim continued to integrate digital-based regional financial management and non-cash transaction services, with examples of implementation including:

- a. "JConnect Mobile" with the Digital Payment feature using QRIS and Virtual Account was used for payment of market fees, parking fees, KIR test fees, cleaning fees, Land and Building Tax (PBB) payments, water bill payments (PDAM), and others in order to improve Locally-generated revenue;

- b. "JConnect Internet Banking" with Bulk Payment feature is used for ASN Payroll salaries throughout East Java Region;
- c. "JConnect Internet Banking" with the features of Transfer Transactions, Account Movements, Balance Information, as well as Purchases and Payments used by the Spending Treasurer and the Receipt Treasurer of the Regional Apparatus Work Unit;
- d. "Jconnect E-KMG" is used by ASN to apply for credit online without having to come to bank jatim service office.

2. MSMEs (Micro, Small and Medium Enterprises), Bank Jatim also helped digitalize MSMEs with transaction payment feature solutions to providing financing to MSMEs, namely by:

- "JConnect E-Loan" which can be utilized by MSME actors to expand their business through credit / financing applications made online;
- "JConnect Mobile" with the Digital Payment feature using QRIS and Virtual Accounts for payment of purchase transactions from customers to MSMEs, not only payments, but also the Marketplace application platform and tourist ticketing provided by Bank Jatim to MSMEs;
- "JConnect Internet Banking" corporate with Transfer Transaction features, Account Mutations, Balance Information, and Purchases and Payments used by MSMEs;

3. General Public, Bank Jatim will always provide all the needs of the general public, such as individual and corporate needs, its application, among others:

- "JConnect Mobile" and "JConnect SiPandai" facilitated the Community (in this case the Taxpayer) in making payments for Motor Vehicle Tax (PKB), Land and Building Tax (PBB), and Other Regional Taxes in a non-cash and real-time online manner. Currently, people who wanted to pay Motor Vehicle Tax (PKB) from all over Indonesia could make payments through the SIGNAL Platform application (National Digital Samsat) from the Indonesian National Police, which had been integrated with "Jconnect Mobile" from Bank Jatim;
- "JConnect Mobile" with the QRIS Digital Payment feature could be used by the public to make purchases at merchants accepting non-cash payments (QRIS), both QRIS belonging to other banks and to other Financial Technology companies (OVO, Gopay, Dana, Shope, and others);

- "JConnect Internet Banking" with a scheduled transfer feature could be used by companies/agencies to pay their employees' salaries (payrolls) automatically on a certain date or to pay company bills so that there were no late payments;
- "JConnect SiPandai" could be used by people who were far from banking access, to open a savings account at Bank Jatim's SiPandai Agent, and perform banking transactions without having to come to the Bank Jatim service office.

In addition, there were so many other implementations of "JConnect" based on the 3 (three) important pillars above. All digital services based on these 3 (three) important pillars were packaged by Bank Jatim in a "JConnect" branding which could be accessed anytime, anywhere, and was connected to the conditions of customers and the community.

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 2021 can be described as follows:

- Digital Banking Development (Enhancement Digital Banking)
- Modernized Core Banking System
- Strengthening IT Security (Enhancement IT Security)
- Digitize Business Process
- 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. Enhancement Digital Banking

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 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

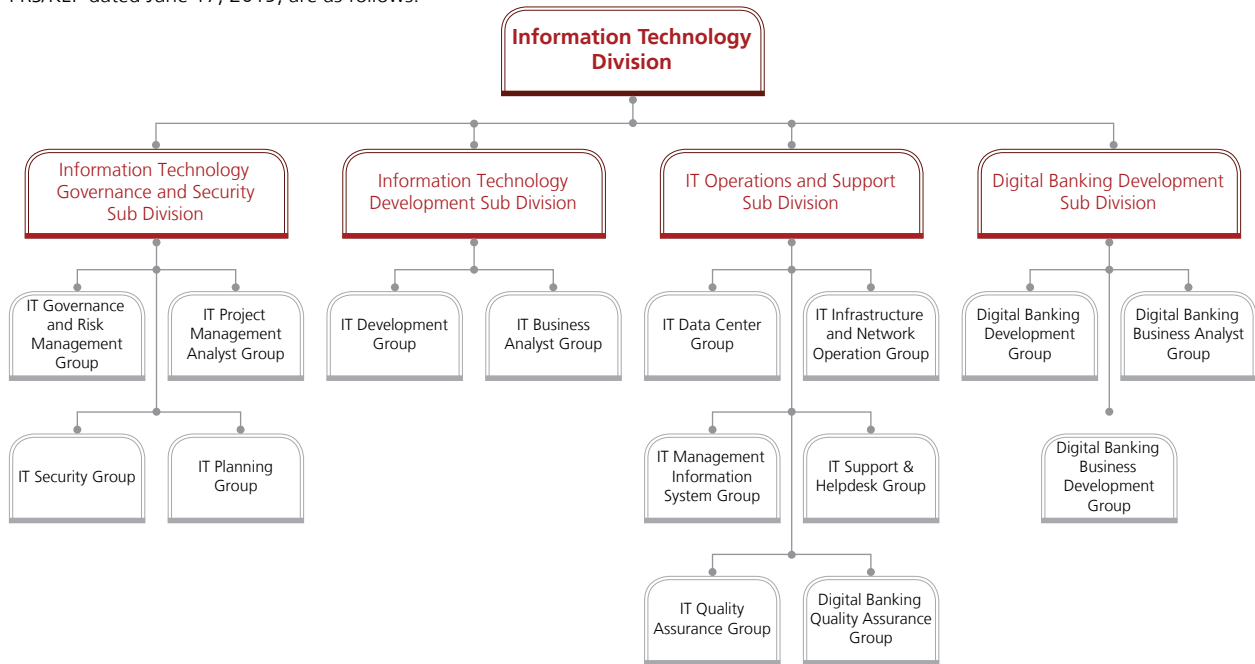
Utilization of data in large volume and speed for analysis and decision making, risk mitigation and business enhancement was supported by artificial intelligence technology. On a large scale big data analytics provided the means to analyze data sets and draw conclusions about that data to help make informed 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:



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

“ Bank Jatim’s commitment to upholding the principles of good corporate governance encourages the improvement of the Company’s performance as indicated by the increase in its financial and operational performance. Bank Jatim also received recognition from external parties including 1st The Best Indonesia Enterprises Risk Management Awards IV 2021 Category BPD Public Company Book 3 from Economic Review and Best Disclosure & Transparency at Best Disclosure & Transparency 12th The IICD Corporate Governance Conference and Awards.





Bank Jatim's commitment to upholding the principles of good corporate governance is based on an awareness of the importance of corporate governance in achieving the Company's goals. Good corporate governance will encourage the improvement of the Company's performance, especially due to the increasing trust of stakeholders in the Company. Stakeholder trust encourages the creation of a harmonious relationship between the Company and its stakeholders and will further improve the Company's performance. By applying the principles of transparency,

accountability, responsibility, independence, fairness, Bank Jatim is able to improve its financial and operational performance and gain recognition from external parties including 1st The Best Indonesia Enterprises Risk Management Awards IV 2021 Category Regional Development Bank (BPD) Public Company Book 3 from Economic Review and Best Disclosure & Transparency at Best Disclosure & Transparency 12th The IICD Corporate Governance Conference and Award.

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 required provisions of the various laws and regulations above, the Company also bases on the GCG implementation guidelines as follows:

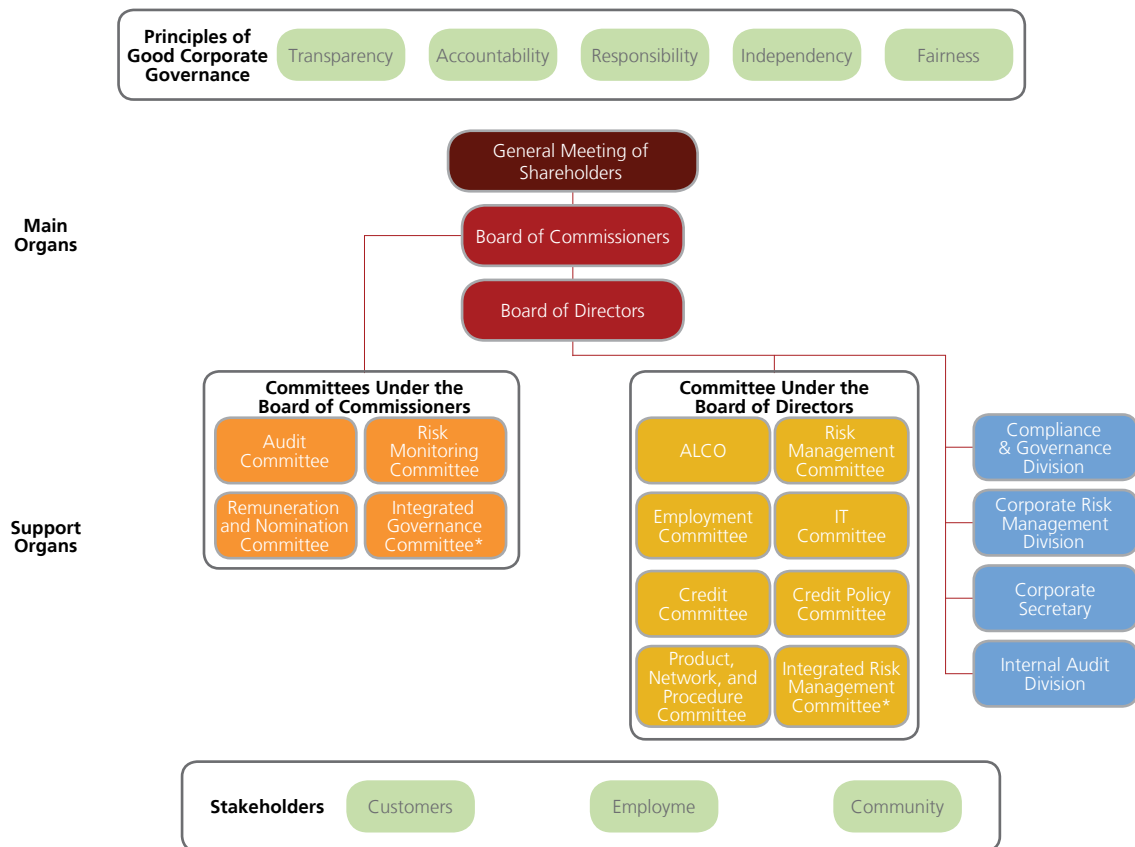
1. Principles of Corporate Governance developed by the Organization for Economic Cooperation and Development (OECD).
2. ASEAN Corporate Governance Scorecard.
3. Indonesian GCG Guidelines developed by the National Committee on Governance Policy (KNKG).
4. Indonesian Banking GCG Guidelines developed by the National Governance Policy Committee (KNKG).
5. Principles for Enhancing Corporate Governance published by the Basel Committee on Banking Supervision.

Structure and Mechanism of Corporate Governance

Structure of Company Organs

Based on the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies, the Organs of the Company consists of General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors. Its administration adopts a two tier system, namely Board of Commissioners and Board of Directors, who have specific authority and responsibility based on their respective functions as specified in the Articles of Association and the laws and regulations. Bank Jatim also had supporting organs under the Board of Commissioners and Directors in order to support the effectiveness of the duties and responsibilities of the Main Organs.

The structure of the corporate organs is presented in the chart below.



Information :

* Observing the Regulation of the Financial Services Authority No. 45/POJK.03/2020 concerning financial conglomerates, PT Bank Pembangunan Daerah Jawa Timur Tbk. with PT Bank Perkreditan Rakyat Jawa Timur no longer meets the criteria as a financial conglomerate.

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 Julisty, 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: AHUAH.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 Sitaesmi Puspawati Subianto, SH, Notary in Surabaya who has received notification from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHUAH.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 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-AH.01.03-0197642 dated April 23, 2020	April 22, 2020
		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
		Deed of Restatement of Meeting Decisions of PT Bank Pembangunan Daerah Jawa Timur Tbk. Number 95 Dated May 31, 2021 drawn up before Sitaesmi Puspawati Subianto SH, Notary in Surabaya who received Notification of Acceptance from the Ministry of Law and Human Rights of the Republic of Indonesia Number AHU-AH.01.03-0387989 Dated June 21, 2021.	May 31, 2021
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 Guidelines	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/AU/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

No.	Guidelines	Guide Number	Validation Date
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	Technical Instructions for Completing State Assets Reports	060/04/54/KPT/SE	December 15, 2021
19	Bank Governance Self-Assessment Technical Guidelines	060/04/56/KPT/SE	December 20, t2021
20	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

By regarding the Articles of Association of the Company based on the Deed of Restatement of Meeting Decisions of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 95 dated May 31, 2021, Article 5 paragraph (2) of the Articles of Association of the Company stipulated the rights of shareholders 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.

Information Disclosure Policy of Share Ownership of The Board of Commissioners and Directors and Its Implementation

Information Disclosure Policy on Share Ownership of the Board of Commissioners and Directors was regulated in the Implementation Guidelines for Relations Corporate Secretary Investor Chapter IV in the following:

- Ownership Report or Any Change in Public Company Share Ownership
Reporting of members of the Board of Directors or members of the Board of Commissioners on ownership and any changes in ownership of the shares of the Public Company, either directly or indirectly, and any Party that owned shares, either directly or indirectly, should be at least 5% (five percent) of the paid-up capital in the Public Company. Reporting obligations for parties who owned at least 5% (five percent) could be applied to changes in ownership of at least 0.5% (zero point five percent) in 1 (one) or several transactions. The report had to be submitted no later than 10 (ten) days from the occurrence of ownership or change in ownership of the shares of the Public Company.

Meanwhile, the submission of information by the Board of Directors/Board of Commissioners applied to each change of ownership. Reports to the Public Company shall be made no later than 3 (three) working days after the ownership or change in ownership of shares occurred. Reports carried out independently had to be submitted no later than 10 (ten) days from the occurrence of ownership or change in ownership of the shares of the Public Company. Reporting obligations could also be carried out by other parties (in this case the Corporate Secretary) through written power of attorney. Submission of a report through a proxy had to be made no later than 5 (five) days after the change in share ownership occurred and had to be accompanied by a copy of the power of attorney based on the applicable regulations.

2021, the disclosure of Share Ownership Information for the Board of Commissioners and the Board of Directors was in accordance with the applicable Implementation Guidelines. The purchase/sale of shares of the Board of Commissioners and the Board of Directors in 2021 are as follows.

Table of Purchases/Sales of Shares of the Board of Commissioners and Directors in 2021

No.	Name	Position	Transaction	Number of Shares Before Transaction	Number of Purchases/Sales
1.	Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Sale	65,000	10,000
2.	Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Sale	55,000	5,000
3.	Ferdian Timur Satyagraha	Director of Finance	Purchase	717,633	223,800
4.	Busrul Iman	President director	Purchase	982,200	240,000
5.	Ferdian Timur Satyagraha	Director of Finance	Purchase	1,329,433	220,000
6.	Ferdian Timur Satyagraha	Director of Finance	Purchase	1,549,433	388,000
7.	Busrul Iman	President director	Purchase	1,222,200	334,200
8.	Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Purchase	50,000	255,600
9.	Ferdian Timur Satyagraha	Director of Finance	Purchase	1,937,433	255,600
10.	Rizyana Mirda	Director of Business Risk	Purchase	3,443,733	255,600
11.	Tonny Prasetyo	Director of IT and Operation	Purchase	90,400	255,600
12.	Heru Tjahjono	Commissioner	Purchase	-	141,400
13.	Ferdian Timur Satyagraha	Director of Finance	Purchase	2,193,033	388,800

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.

	Stock Price	Number of Shares After Transaction	Transaction Date	Transaction Purpose	Reporting
	740	55,000	January 11, 2021	Investation	January 13, 2021
	970	50,000	January 15, 2021	Investation	January 18, 2021
	800	941,433	April 19, 2021	Investation	April 20, 2021
	795	1,222,200	April 21, 2021	Investation	April 21, 2021
	695	1,549,433	August 2, 2021	Investation	August 6, 2021
	695	1,937,433	August 3, 2021	Investation	
	711	1,556,400	September 2, 2021	LTI Program	September 2, 2021
	711	305,600	September 2, 2021	LTI Program	September 2, 2021
	711	2,193,033	September 2, 2021	LTI Program	September 2, 2021
	711	3,699,333	September 2, 2021	LTI Program	September 2, 2021
	711	346,000	September 2, 2021	LTI Program	September 2, 2021
	711	141,400	December 6, 2021	LTI Program	December 6, 2021
	735	2,581,833	December 23, 2021	Investation	December 24, 2021

Implementation of Annual GMS For Fiscal Year 2020 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Results
Notifying the Financial Services Authority that a meeting would be held with the letter number: - 060/213/DIR/CSE/Srt March 22, 2021 - 060/252/DIR/CSE/Srt April 9, 2021	Advertising the announcement regarding the Invitation of Meeting to Shareholders in 1 (one) daily newspaper in Indonesian language, namely Koran Sindo, Indonesia Stock Exchange website, PT Kustodian Sentral Efek Indonesia website, Company website on March 27, 2021	Advertising the Invitation to Shareholders in 1 (one) daily Indonesian language newspaper, Indonesia Stock Exchange website, PT KSEI website, Company website on April 11, 2021	Held on May 3, 2021, at the Bank Jatim Head Office	<ul style="list-style-type: none"> - Submission of the Summary of Minutes to the Financial Services Authority number 060/282/DIR CSE/Srt on May 5, 2021 - Submission of Minutes to the Financial Services Authority number 060/332/DIR CSE/Srt dated June 7, 2021

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 2020

The Board of Commissioners and Directors of Bank Jatim who attended the 2020 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.	Muhammad Mas'ud	Independent Commissioner	Present
5.	Candra Fajri Ananda	Independent Commissioner	Present
6.	Rudi Purwono	Independent Commissioner	Present
7.	Busrul Iman	The President Director and concurrently as Pgs. Director of Commercial & Corporate	Present
8.	Rizyana Mirda	Director of Business Risk	Present
9.	Tonny Prasetyo	Director of IT & Operation	Present
10.	Ferdian Timur Satyagraha	Director of Finance who also serves as Pgs. Director of Consumer, Retail & Sharia Business	Present
11.	Erdianto Sigit Cahyono	Director of Compliance & Risk Management	Present

Decisions and Realization of the Annual GMS for Fiscal Year 2020

First Meeting Agenda

Approval of the Company's Annual Report regarding the Condition and Operation of the Company during the 2020 Financial Year, including the Report on the Implementation of the Supervisory Duties of the Board of Commissioners during the 2020 Financial Year and the Ratification of the Company's Financial Statements for the 2020 Financial Year.

The Minutes of the Meeting state the number of Shareholders who ask questions and/or provide opinions as much as 1 (one) person.

Voting Results

In Favor : 13,117,726,384 Shares (99.9447%) consisting of 11,934,147,982 Series A Shares and 1,183,578,402 Series B Shares
 Against : None
 Abstain : 7,254,100 shares (0.0552%) which are all Series B Saham Shares

Decision

- 1) Approve and certify:
 - a. The Company's Annual Report that has been submitted by the Board of Directors for the 2020 Fiscal Year;
 - b. Supervisory Task Report that has been submitted by the Board of Commissioners for Fiscal Year 2020;
 - c. The Company's Financial Statements for the financial year ended December 31, 2020 which have been audited by the Public Accounting Firm of Amir Abadi Jusuf Aryanto, Mawar & Rekan (RSM Indonesia) in accordance with the Independent Auditor's Report dated April 9, 2021, with a Fair opinion in all material respects.
- 2) With the approval and ratification of the Annual Report, Report on the Supervisory Duties of the Board of Commissioners and the Company's Financial Statements for the 2020 Financial Year, the Meeting granted full discharge and release from responsibilities (acquit et de charge) to all members of the Board of Directors for management actions and to all members of the Board of Directors. Commissioner for supervisory actions that have been carried out during the financial year ending on December 31, 2020 to the extent of such actions reflected in the Company's Financial Statements.

Status: Realized

Second Meeting Agenda

Determination of the use of the Company's net profit for the financial year 2020 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 the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting Results

In Favor : 12,976,612,714 shares (98.8695%) consisting of 11,934,147,982 Series A shares and 1,042,464,732 Series B shares
 Against : 148,353,070 shares (1.1303%) which are all Series B Saham Shares
 Abstain : 14,700 shares (0.0001%) which are all Series B Saham Shares

Decision

1. Approved the use of the Company's profits for the financial year 2020 as follows:
 - a. In the amount of Rp.733,507,081,305.70 (seven hundred thirty three billion five hundred seven million eight hundred three hundred five rupiahs and seventy cents) or 49.26% (forty nine point twenty six percent) of the net profit for the year Book 2020 is set as cash dividend for Fiscal Year 2020, thus an amount of Rp 48.85 (forty eight point eighty five rupiahs) per share, designated as cash dividend for Fiscal Year 2020 will be distributed in cash and distributed to all shareholders registered in Register of Shareholders of the Company as of May 18, 2021 and will be paid on May 28, 2021. Furthermore, granting power and authority to the Board of Directors to regulate the procedure for the payment of the cash dividend.
 - b. In the amount of Rp.755,454,548,814.30 (seven hundred fifty-five billion four hundred fifty-four million five hundred forty-eight thousand eight hundred and fourteen rupiah and thirty cents) or 50.74% (fifty point seventy-four percent) set as General Reserve.
2. Furthermore, in accordance with the provisions of the applicable Financial Accounting Standards Regulations, we propose to determine the distribution of employee bonuses and tantiem for the Company's Management, namely the Board of Directors and the Board of Commissioners along with those who assist the duties of the Board of Commissioners including the Sharia Supervisory Board for Fiscal Year 2020, an allowance of Rp372,823,445. 650.69 (three hundred seventy-two billion eight hundred twenty-three four hundred forty-five thousand six hundred fifty rupiah and sixty-nine cents) with the same percentage distribution as the previous year, as follows:
 - a. Employee bonus of 85% (eighty five percent);
 - b. The Tantiem of the Company's Management, namely the Board of Directors and the Board of Commissioners along with those who assist the duties of the Board of Commissioners including the Sharia Supervisory Board, is 15% (fifteen percent). Of this amount will be paid in cash, and in accordance with the provisions of POJK Number 45/POJK.03/2015 specifically for the Board of Commissioners and the Board of Directors there are bonuses that will be suspended in the form of cash and shares through the Long Term Incentive program..
3. Granting authority and power to the Board of Commissioners to determine the remuneration of the Company's management, namely the Board of Directors and the Board of Commissioners together with those who assist the duties of the Board of Commissioners including the Sharia Supervisory Board in 2021 by taking into account the proposals from the Remuneration and Nomination Committee and reporting on the Annual Report.

Status: Realized**Third Meeting Agenda**

Granting Power of Attorney to the Board of Commissioners to Appoint a Public Accounting Firm to Audit the Company's Financial Statements for the 2021 Financial Year.

The Minutes of the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting Results

In Favor : 12,758,210,929 shares (97.2055%) consisting of 11,934,147,982 Series A Shares and 824,062,947 Series B Shares
 Against : 366,755,155 shares (2,7943%) which are all series B Saham Shares
 Abstain : 14,400 shares (0.0001%) which are all Series B Saham Shares

Decision

Approved to grant authorization to the Board of Commissioners to appoint a public accounting firm to audit the company's financial statements for the 2021 financial year.

Status: Realized**Fourth Meeting Agenda**

Amendments to the Articles of Association.

The Minutes of the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting Results

In Favor : 12,072,324,556 shares (91.9797%) consisting of 11,889,957,156 Series A shares and 182,367,400 Series B shares
 Against : 1,035,243,601 shares (7,8875%) consisting of 26,792,899 series A shares and 1,008,450,702 shares of series B
 Abstain : 17,412,327 shares (0.1326%) consisting of 17,397,927 series A shares and 14,400 Shares of series B

Decision

1. Approving the Amendment to the Company's Articles of Association, as follows:
 - a. Changes related to adjustment to:
 - Financial Services Authority Regulation Number 15/POJK.04/2020 concerning the Plan and Organizing of the General Meeting of Shareholders of a Public Company;
 - Financial Services Authority Regulation Number 16/POJK.04/2020 concerning the Electronic General Meeting of Shareholders of Public Companies.
 - On :
 1. Article 11 regarding the General Meeting of Shareholders;
 2. Article 12 concerning the Place, Announcement, Invitation and Time of the GMS;
 3. Article 13 regarding the Chairman and Minutes of the General Meeting of Shareholders;
 4. Article 14 regarding Quorum, Voting Rights, Resolutions and Rules of GMS;
 - b. Changes related to the Term of Office of the Company's Board of Directors and Board of Commissioners, on:
 1. Article 15 paragraph (4) regarding the term of office of the Board of Directors;
 2. Article 18 paragraph (6) regarding the term of office of the Board of Commissioners.
 - c. Changes related to Approval of Organizational Structure, Article 16 paragraph (6) concerning Duties and Authorities of the Board of Directors
2. Granting authority and power to the Company's Board of Directors to make adjustments and codification of the Company's Articles of Association.
3. Granting power of attorney with substitution rights to the Board of Directors of the Company to take all necessary actions in the context of requesting approval, reporting and registration of amendments to the Articles of Association in question to the relevant agencies.

Status: Realized

Fifth Meeting Agenda

Doing Corporate Actions Related to Subsidiary Companies, namely the Establishment of Regional Securities Companies.

The Minutes of the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting is not held

Decision

The fifth agenda still required further deepening of the study and adjusting the Company's priority scale in the future. This matter could not be discussed and decided further at the Meeting.

Status: -

Sixth Meeting Agenda

Changes in the Composition of the Company's Management.

The Minutes of the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting Results

In Favor : 12,089,721,583 shares (92.1123%) consisting of 11,907,355,083 Series A shares and 182,366,500 Series B shares
 Against : 1,008,450,702 shares (7.6834%) which are all series B Saham Shares
 Abstain : 26,808,199 shares (0.2042%) consisting of 26,792,899 Series A shares and 15,300 series B shares

Decision

- To honorably discharge members of the Board of Commissioners whose term of office has ended, namely:
 - President Commissioner : Akhmad Sukardi
 - Commissioner : Budi Setiawan
 - Independent Commissioner : Candra Fajri Ananda
 - Independent Commissioner : Rudi Purwono
 - As of the closing of this Meeting with the greatest gratitude to them.
- Approving the reappointment of members of the Board of Commissioners, namely:
 - Independent Commissioner : Candra Fajri Ananda starting from the closing of this Meeting with a term of office until the closing of the Meeting 4th (fourth) Annual General Shareholders.
 Hence, the composition of the Board of Commissioners was as follows:
 - Independent Commissioner : Muhammad Mas'ud
 - Independent Commissioner : Candra Fajri Ananda
 - Commissioner : Heru Tjahjono
- Granting authority to the Governor of East Java to carry out the selection of candidates for members of the Board of Commissioners and candidates for members of the Board of Directors of the Company whose term of office has ended and for the occurrence of vacancies.
- Granting authority to the Board of Commissioners to approve and ratify the updating of the internal provisions of the System and Procedure for the Selection and/or Replacement of Members of the Board of Commissioners and Members of the Board of Directors of the Company.
- Granting power and authority to the Board of Directors with substitution rights to carry out all necessary processes and actions including notification to the regulator as required in the applicable laws and regulations.

Status: Realized

Implementation of Annual GMS for Fiscal Year 2019 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Results
Notifying that a meeting will be held to the Financial Services Authority with the letter number: <ul style="list-style-type: none"> 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 18 March 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	Director of Finance	Present
8.	Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Present
9.	Rizyana Mirda	Director of Business Risk	Present
10.	Busrul Iman	Director of Commercial and Corporate	Present
11.	Tonny Prasetyo	Director of IT and Operation	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

In Favor : 13,401,287,205 Shares (99.697%), consisting of 11,934,147,982 Series A Shares and 1,467,139,223 Series B Shares
 Against : None
 Abstain : 40,770,968 Shares (0.303%), all of which are Series B Share

Decision

- Approve and certify:
 - The Company's Annual Report submitted by the Board of Directors for the 2019 Financial Year.
 - Supervisory Task Report that has been carried out by the Board of Commissioners for the 2019 Financial Year.
 - 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, Palilngan & Partners in accordance with their report No: 00007/3.0355/AU.1/07/11922/1 //202 dated January 30, 2020, with a fair opinion in all material respects in accordance with generally accepted accounting principles in Indonesia
- 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 (acquit 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

In Fvaor : 13,442,058,173 Shares (100%), consisting of 11,934,147,982 Series A Shares and 1,507,910,191 Series B Shares
 Against : None
 Abstain : 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 fiftytwo 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

In Favor : 12,992,325,063 Shares (96,654%), consisting of 11,889,537,482 Series A Shares and 1,102,787,581 Series B Shares
 Against : 379,295,410 Shares (2,822%), all of which are Series B Shares
 Abstain : 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

In Favor : 12,400,527,615 Shares (92,252%), consisting of 11,889,537,482 Series A Shares and 510,990,133 Series B Shares
 Against : 971,092,858 Shares (7.224%), all of which are Series B Shares
 Abstain : 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

In Favor : 12,163,046,364 Shares (90.485%), consisting of 11,862,056,231 Series A Shares and 300,990,133 Series B Shares
 Against : 1,181,092,858 Shares (8.786%), all of which are Series B Shares
 Abstain : 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

In Favor : 12,190,527,515 Shares (90.689%) consisting of 11,889,537,482 Series A Shares and 300,990,033 Series B Shares
 Against : 1,181,092,858 Shares (8.786%), all of which are Series B Shares
 Abstain : 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 SEOJK Number 39/SEOJK.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 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 The Extraordinary GMS In 2020 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Results
Notifying the Financial Services Authority that a meeting would be held with the letter number: <ul style="list-style-type: none"> - 059/320/DIR/CSE/Srt tanggal 09 Juni 2020. - 059/347/DIR/CSE/Srt tanggal 01 Juli 2020. 	Advertising the Announcement regarding the upcoming Meeting of Shareholders in the Newspaper, KSEI Web site, IDX website and the Company's website with number 059/326/DIR/CSE/Srt dated June 16, 2020	Advertising the Invitation regarding the upcoming Meeting of Shareholders in the Newspaper, KSEI website, IDX website and the Company's website with number 059/348/DIR/CSE/Srt dated July 01, 2020	Held on July 23, 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 059/408/DIR/CSE/Srt on August 04, 2020 and listed on the Indonesia Stock Exchange website, eASY.KSEI and uploaded on 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	Director of Finance	Present
8.	Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Present
9.	Rizyana Mirda	Director of Business Risk concurrently as Pgs. Director of Consumer, Retail and Sharia Business	Present
10.	Tonny Prasetyo	Director of IT and Operation	Present

Decision and Realization of The Extraordinary GMS In 2020

First Meeting Agenda and Second Meeting Agenda

Voting Agrees to be Nominated was discussed in the 3rd Agenda as President Director for Candidates Who Obtained Approval of the Fit and Proper Test Results from the Financial Services Authority.

Voting Results

- Whereas the votes to agree the candidate for President Director Mr. Busrul Iman were 10,702,772,324 (ten billion seven hundred two million seven hundred seventy two thousand three hundred and twenty four) votes.
- Whereas the votes to agree 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 ninety six) votes.

Decision

Based on the majority of votes obtained, it is Mr. Busrul Iman, thus the candidate for President Director who was proposed for a decision to be appointed as President Director at the 3rd Meeting Agenda was Mr. 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

In Favor : 12,530,571,687 Shares (95.167%), consisting of 11,704,581,940 Series A Shares and 825,989,747 Series B Shares
 Against : 40,136,226 Shares (0.304%), all of which are Series B Shares
 Abstain : 596,165,737 Shares (4.527%), consisting of 229,566,042 Series A Shares and 366,599,695 Series B Shares

Decision

1. Dismissing with honor Mr. Busrul Iman, Bachelor of Economics, Master of Management, Accountant as Director of Commercial and Corporate as of the closing of this meeting with a abundant thank you for the contribution of energy and thoughts given while serving as the Board of 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 from the date of his appointment.

Hence, the composition of the Company's Board of Directors 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
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 vacant positions for members of the Board of Directors, approval would be requested at the nearest General Meeting of Shareholders to be held by the Company, considering the current conditions. This might exceed the time limit for filling the vacant positions of members of the Board of Directors as stipulated in the Company's Articles of Association.
4. Granting 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 applicable laws and regulations .
5. The GMS granted power to the Board of Commissioners to distribute the vacant duties of the Director to the existing Director.

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: -

Board of Commissioners

The Board of Commissioners is the Corporate Governance organ whose job is to carry out general and/or specific supervision in accordance with the Articles of Association, provide advice to the Board of Directors, and ensure that the Company implements the principles of good corporate governance.

The Board of Commissioners is responsible to the GMS in terms of overseeing the policies of the Board of Directors regarding the Company's operations in general which refer to the approved business plan, as well as ensuring compliance with all applicable laws and regulations. The responsibility of the Board of Commissioners to the GMS is a manifestation of the supervisory accountability for the management of the Business Entity in the implementation of the principles of good governance.

Duties and Responsibilities of The Board of Commissioners

The Board of Commissioners has duties and responsibilities that have been regulated in the Work Guidelines and Code of Conduct, including the following:

1. The Board of Commissioners is tasked with supervising the policies and processes of management in general, both regarding the Company and the Company's business, and providing advice to the Directors.
2. Members of the Board of Commissioners must carry out their duties and responsibilities in good faith, with full responsibility and prudent principle.
3. Perform tasks specifically given to them according to the Articles of Association, laws and/or resolutions of the GMS, among others:
 - a. The Board of Commissioners is obliged to ensure the implementation of Good Governance in every business activity of the Bank at all levels of the organization.
 - b. Approve and evaluate Risk Management policies.
 - c. Evaluate the accountability of the Board of Directors for the implementation of Risk Management policies.
 - 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.
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.
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.

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:

Term of Office of Board Of Commissioners

The term of office of members of the Board of Commissioners was a maximum of 4 (four) years from the date determined in the 4th (fourth) Annual GMS from the date of their appointment or until the closing of the annual GMS at the end of 1 (one) term of office, and could be reappointed for the second term of office, after considering the provisions of the FSA and the applicable provisions and was considered to carry out its functions properly, without prejudice to the right of the GMS to dismiss at any time based on the stated reasons.

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. Not involved directly or indirectly in treasonous activities to the State.
6. Never carry out activities that are detrimental to the State or disgraceful actions in the banking sector
7. Not deprived of voting rights based on court decisions

8. Have a good financial track record, proven by documents that have been issued by the competent authority.
9. Meet other requirements as specified.

Board of Commissioners' Work Procedures Guidelines

The Board of Commissioners has guidelines for the Board of Commissioners' work rules no. 060/01/DK/KEP dated January 15, 2021 regarding the Work Guidelines for the Board of Commissioners. The work code of conduct is evaluated periodically and updated with reference to the applicable rules and regulations.

Board of Commissioners' Work Procedures Guidelines is binding for each member of the Board of Commissioners so that the Board of Commissioners can carry out their supervisory functions efficiently, effectively, transparently, independently, and accountably.

The basis for the preparation of board of commissioners' work procedures guidelines is the Bank's Articles of Association, Law No. 40 of 2007 concerning Limited Liability Companies, Financial Services Authority Regulations and OJK Circular on the application and organs of Corporate Governance, and other regulations.

Board of commissioners' work procedures guidelines of Bank Jatim were last updated on May 31, 2018. The contents of Board of Commissioners Charter regulate the following matters :

- A. Governance Structure
 1. Board of Commissioners Composition
 2. Board of Commissioners Criteria
 3. Term of Office
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The Supervision of The Board of Commissioners' Supervisory Duties

In order to optimize the implementation of the functions and duties of the Board of Commissioners, it has been determined that the field of duties of each member of the Board of Commissioners has been established. The management of the supervisory duties of the Board of Commissioners does not reduce the rights, obligations, responsibilities and authority of each member of the Board of Commissioners in carrying out their functions and duties. As for the division of functions, duties and responsibilities of the Board of Commissioners as follows.

Table of Duties of the Board of Commissioners

Name	Position	Task field
Akhmad Sukardi*	President Commissioner	Member of Remuneration and Nomination Committee
Rudi Purwono*	Independent Commissioner	Chairman of the Audit Committee Remuneration and Nomination Committee Member Member of the Risk Monitoring Committee
Candra Fajri Ananda	Independent Commissioner	Head of the Risk Monitoring Committee Chairman of the Audit Committee Remuneration and Nomination Committee Member
Muhammad Mas'ud	Independent Commissioner	Chairman of the Remuneration and Nomination Committee Member of the Risk Monitoring Committee Audit Committee Member
Budi Setiawan*	Commissioner	Member of Remuneration and Nomination Committee
Heru Tjahjono	Commissioner	Member of Remuneration and Nomination Committee

* The term of office ends as of the Annual GMS for Fiscal Year 2020 Date 03 May 2021

Board of Commissioners' Affiliate Relations

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 Board of Commissioners Affiliate Relationship

Relations of Financial, Family and Management of Commissioners															
Name	Position	Relation of Financial with						Relation of Financial with						Management Relations	
		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		✓		✓		✓		✓		✓		✓		✓

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

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 Students and Alumni	Airlangga University Graduate School
Candra Fajri Ananda	Independent Commissioner	Special Staff	Ministry of Finance
Muhammad Mas'ud	Independent Commissioner	Postgraduate Director	university Of islam
Budi Setiawan*	Commissioner	-	-
Heru Tjahjono	Commissioner	Regional Secretary	East Java Provincial Government

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

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) nonfinancial institution or non-financial company, either domiciled inside or outside the country.
 - c. Other positions that may cause conflict of interest and/or other positions in accordance with laws and regulations.
8. Disclose remuneration and other facilities received in the Governance Implementation Report as stipulated in the Financial Services Authority Regulation.

During 2021, 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.

Share Ownership of The Board of Commissioners

Table of Share Ownership of The Board of Commissioners

Name	Position	Share Ownership in Bank Jatim
Akhmad Sukardi*	President Commissioner	833.600 (0,0055516)
Rudi Purwono*	Independent Commissioner	-
Candra Fajri Ananda	Independent Commissioner	-
Muhammad Mas'ud	Independent Commissioner	-
Budi Setiawan*	Commissioner	-
Heru Tjahjono	Commissioner	141.400 (0,0009417)

* Stopped serving since the end of the Annual General Meeting of Shareholders on May 3, 2021.

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 2021 (period 01 January - 03 May 2021) the number of Independent Commissioners of Bank Jatim is as many as 3 (three) people from the entire board of commissioners as many as 6 (six) people.

While in the period 03 May - 31 December 2021 the number of Independent Commissioners of Bank Jatim is as many as 2 (two) people from the overall board of commissioners as many as 3 (three) people. In other words, the composition of the Independent Commissioner of Bank Jatim is more than 50% of the total members of the Board of Commissioners.

Criteria for Determining Independent Commissioners

The criteria for determining the Independent Commissioner of Bank Jatim are regulated in the articles of association and in the guidelines for the implementation of the Board of Commissioners of Bank Jatim that are adjusted according to the applicable rules including Circular Letter of the Financial Services Authority No. 13/SEOJK.03/2017 regarding Governance Implementation for Commercial Banks and Regulation of Financial Services Authority No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies, among others it is explained that Independent Commissioners must meet the following requirements:

Independent Commissioner Criteria	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.	√	√	√

* Stopped serving since the end of the Annual General Meeting of Shareholders on 3 May 2021.

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 : Candra Fajri Ananda
 Tempat dan Tanggal Lahir : Lumajang, 20 Oktober 1984
 No. KTP/Paspor : 3174010100001
 Alamat : Jl. Diponegoro 2014 Kota Batu
 Jabatan : Guru Besar UB

Bertindak selaku calon anggota Komisaris Independen Bank Jatim, untuk dan atas nama diri sendiri, menyatakan bahwa saya :

1. berkomitmen 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 pidananya telah selesai dijalani dalam waktu 20 (dua puluh) tahun terakhir sebelum dicalonkan;
 - b) Tindak pidana kejahatan yaitu tindak pidana yang tercantum dalam kitab Undang-undang Hukum Pidana (KUHP) dan/atau yang sejenis KHUP di luar negeri dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih yang pidananya telah selesai dijalani dalam waktu 10 (sepuluh) tahun terakhir sebelum dicalonkan; dan /atau
 - c) Tindak pidana lainnya dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih, antara lain korupsi, pencucian uang, narkoba/ psikotropika, penyelundupan, kepabeanan, cukai, perdagangan orang, perdagangan senjata gelap, terorisme, pemalsuan uang, dibidang perpajakan, di bidang kehutana, di bidang lingkungan hidup, di bidang kelautan, dan perikanan, yang pidananya telah selesai dijalani dalam waktu 20 (dua puluh) tahun terakhir sebelum dicalonkan.
3. tidak sedang dilarang untuk menjadi Pihak Utama yang antara lain tidak tercantum dalam Daftar Tidak Lulus;
4. tidak memiliki kredit dan/ atau pembiayaan macet;
5. saya tidak pernah dinyatakan pailit dan/atau tidak pernah menjadi pemegang saham, pengendali, anggota Direksi, atau anggota Dewan Komisaris yang dinyatakan bersalah menyebabkan suatu perseroan dinyatakan pailit dalam waktu 5 (lima) tahun terakhir sebelum tanggal pengajuan permohonan;
6. bukan merupakan pengendali, anggota Direksi atau anggota Dewan Komisaris dari badan hukum yang mempunyai kredit dan/atau pembiayaan macet;

7. tidak merangkap jabatan sebagai anggota Dewan Komisaris, anggota Direksi atau pejabat Eksekutif pada lembaga perbankan, perusahaan atau lembaga lain melebihi yang diperkenankan 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. berkomitmen mengembangkan operasional Bank yang sehat dan mendukung kebijakan OJK;
10. tidak akan melakukan dan/atau mengulangi perbuatan 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 penilaian kemampuan dan kepatutan, dan/atau tidak sedang menjalani proses penilaian kembali karena terdapat indikasi permasalahan integritas dan/atau kelayakan / reputasi keuangan pada suatu LJK;
12. bersedia menerima keputusan hasil penilaian kemampuan dan kepatutan dan tidak akan mengajukan tuntutan atau gugatan dalam bentuk apapun terhadap hasil penilaian kemampuan dan kepatutan yang ditetapkan oleh Otoritas Jasa Keuangan;
13. merupakan pihak yang independen terhadap pemilik bank atau PSP;
14. tidak memiliki hubungan keuangan, kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota dewan komisaris lainnya, anggota direksi dan/atau pemegang saham pengendali atau hubungan lain yang dapat mempengaruhi kemampuannya untuk bertindak independen.

Apabila ternyata di kemudian hari pernyataan saya tersebut di atas terbukti tidak benar dan/atau saya melanggar komitmen tersebut di atas maka kami menormi segala keputusan Otoritas Jasa Keuangan berikut konsekuensinya sesuai peraturan yang berlaku.

Demikian surat pernyataan ini kami buat dengan penuh kesadaran dan tanpa paksaan dari pihak manapun.

Surabaya,


 (Candra Fajri Ananda)

SURAT PERNYATAAN

Saya yang bertanda tangan di bawah ini
Nama : Muhammad Mas'ud
Tempat dan Tanggal Lahir : Surabaya, 28 Maret 1984
No. KTP/Paspor : 3303030000000000000
Alamat : Jl. Raya Tuguasri Timur 10 Surabaya

- berhinda selaku calon anggota Dewan Komisaris Independen PT Bank Pembangunan Daerah Jawa Timur Tbk untuk dan atas nama diri sendiri, menyatakan bahwa:
1. saya tidak sedang menjalani proses hukum, proses penilaian kemampuan dan kapasitas, dan/atau sedang menjalani proses penilaian keahlian karena terlibat tindakan perantara atau integritas, kelekasan/kepastian kemampuan dan/atau kompetensi pada suatu LJK;
2. saya tidak pernah dibekuk karena terlibat melakukan tindak pidana berupa:
a. tindak pidana di sektor jasa keuangan yang penerapannya telah selesai dipidana dalam waktu 20 (dua puluh) tahun terakhir sebelum dilakukan;
b. tindak pidana kejahatan yaitu tindak pidana yang tercantum dalam Kitab Undang-undang Hukum Pidana (KUHP) dan/atau yang sejalan KUHP di luar negeri dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih yang penerapannya telah selesai dipidana dalam waktu 10 (sepuluh) tahun terakhir sebelum dilakukan; dan/atau
c. tindak pidana lainnya dengan ancaman hukuman pidana penjara 1 (satu) tahun atau lebih, antara lain korupsi, pencucian uang, terorisme/sukotesepa, penyelundupan, kejahatan, cukai, perdagangan orang, perdagangan senjata gelap, terorisme, pemerasan uang, di bidang perpajakan, di bidang kesehatan, di bidang lingkungan hidup, di bidang kelautan, dan perikanan, yang penerapannya telah selesai dipidana dalam waktu 20 (dua puluh) tahun terakhir sebelum dilakukan.

[Signature]

- 3. saya tidak sedang dituntut sebagai Pihak Utama yang telah lain tidak tercantum dalam Daftar Tidak Lulus;
4. saya tidak pernah dinyatakan pailit dan/atau tidak pernah menjadi penanggung jawab, pencahaya, anggota Direksi atau anggota Dewan Komisaris yang dinyatakan bersalah menyebabkan suatu perusahaan dinyatakan pailit berdasarkan ketentuan pengalihan dalam waktu 1 (satu) tahun terakhir sebelum terapan prosedur penyelesaian;
5. saya tidak memiliki kredit dan/atau pembiayaan macet;
6. Saya tidak mempunyai hubungan usaha baik langsung maupun tidak langsung yang berkaitan dengan kegiatan usaha Bank Jatim;
7. saya bukan merupakan pemegang saham, anggota Direksi, atau anggota Dewan Komisaris dari badan hukum yang mempunyai kredit dan/atau pembiayaan macet;
8. saya tidak menyangkal jabatan sebagai anggota Direksi, anggota Dewan Komisaris atau Pejabat Eksekutif pada lembaga perbankan, perusahaan atau lembaga lain, kecuali yang diperkenankan dalam ketentuan yang berlaku;
9. saya tidak memiliki hubungan keluarga sampai dengan derajat kedua termasuk besan dengan sesama anggota Dewan Komisaris atau anggota Direksi (berlaku bagi masyarakat anggota Direksi bank);
10. Saya merupakan pihak yang independen dan bersedia berhinda independen terhadap pemilik bank atau PSP (kecuali bagi calon Komisaris Independen);
11. Saya tidak mempunyai hubungan baik langsung maupun tidak langsung pada Bank Jatim;
12. saya berkomitmen mendukung operasional bank yang sehat dan mendukung kebijakan OJK;
13. Saya memiliki pengetahuan dan/atau keahlian di bidang yang dibutuhkan untuk atau Peran Publik;
14. saya berkomitmen untuk mematuhi ketentuan dan peraturan perundang-undangan khususnya di bidang perbankan dan bersedia mendukung kebijakan OJK;

[Signature]

- 15. saya bersedia menerima keputusan hasil penilaian kemampuan dan kapasitas dan tidak akan mengajukan tuntutan atau gugatan dalam bentuk apapun terhadap hasil penilaian kemampuan dan kapasitas yang diterbitkan oleh Otoritas Jasa Keuangan.

Apabila terwujud di kemudian hari pernyataan di atas terbukti tidak benar dan/atau saya melanggar ketentuan tersebut di atas maka akan menerima segala konsekuensi Otoritas Jasa Keuangan baik itu konsekuensinya sesuai peraturan yang berlaku.

Demikian surat pernyataan ini kami buat dengan penuh kesadaran dan tanpa paksaan dari pihak manapun.

Surabaya, 28 April 2018

[Signature and Stamp of Muhammad Mas'ud]

SURAT PERNYATAAN
PT BANK PEMBANGUNAN DAERAH JAWA TIMUR Tbk

Saya yang bertanda tangan di bawah ini :

Nama : Dr. Rudi Purwono
Tempat/tanggal lahir : Surabaya, 06-11-1968
Alamat domisili : Jl. Pongkor Street 1011, Surabaya
Nomor telepon rumah : 031-83300000
Jabatan : Wakil Dekan I Fakultas Ekonomi dan Bisnis UNAIR, Surabaya

Sebagai Calon Komisaris Independen PT. Bank Pembangunan Daerah Jawa Timur, Tbk yang akan diangkat melalui RUPS - LB.

Dengan ini menyatakan bahwa
Pegawai saya sebagai Komisaris PT. Bank Jatim tidak melanggar ketentuan dan atau peraturan perundang-undangan terkait dengan status kepegawaian saya sebagai Pegawai Negeri Sipil. Apabila dikemudian hari saya tidak lagi memenuhi persyaratan sebagai pegawai bank atau melanggar ketentuan / peraturan perundang-undangan yang berlaku, termasuk ketentuan yang terkait dengan status saya sebagai Pegawai Negeri Sipil, maka saya bersedia mengundurkan diri dari jabatan tersebut tanpa diminta oleh Otoritas Jasa Keuangan atau oleh Rapat Umum Pemegang Saham PT Bank Jatim.

Segala akibat dan konsekuensi hukum yang terjadi berkaitan dengan status saya sebagai Pegawai Negeri Sipil dalam pengangkatan saya pada jabatan tersebut sepenuhnya menjadi tanggung jawab saya.

Demikian surat pernyataan ini saya buat dan dimandagani dengan benar dan penuh tanggung jawab.

Surabaya, 21 Juni 2018

[Signature and Stamp of Dr. Rudi Purwono]

Meeting of Board of Commissioners

Meeting Policy

The Board of Commissioners must hold regular meetings, and arrange a meeting schedule for the following year before the end of the financial year.

1. The implementation of the meeting can be divided into two, namely:
 - a. Internal meetings of the Board of Commissioners.
 - b. Meetings of the Board of Commissioners with the Board of Directors and/or Head of Work Unit (Division) in accordance with the topic discussed.
2. Internal meetings of the Board of Commissioners must be held regularly at least once every 2 (two) months (6 (six) times a year).
3. Meetings of the Board of Commissioners with the Board of Directors must be held regularly at least once every 2 (two) months (6 (six) times a year).
4. Meetings can also be held at any time at the request of 1 (one) or several Members of the Board of Commissioners or at the request of the Board of Directors, stating matters to be discussed.
5. Meetings of the Board of Commissioners and/or Meetings of the Board of Commissioners with the Board of Directors can be thematic in accordance with existing problems under certain conditions;
6. At the meeting that has been scheduled, meeting materials are submitted to participants no later than 5 (five) days before the meeting is held.
7. In the event that a meeting is held outside the predetermined schedule, the meeting materials shall be submitted to the meeting participants no later than before the meeting is held.
8. The meeting of the Board of Commissioners is chaired by the President Commissioner, in the event that the President Commissioner is unable to attend or is absent which does not need to be proven to a third party, the meeting of the Board of Commissioners is chaired by a member of the Board of Commissioners who is elected by and from the members of the Board of Commissioners who are present.
9. A member of the Board of Commissioners can be represented in a meeting of the Board of Commissioners only by another member of the Board of Commissioners based on a power of attorney.
10. Meetings of the Board of Commissioners are valid and have the right to make binding decisions if more than ½ (one half) of the total members of the Board of Commissioners are present or represented at the meeting.
11. Decisions of the Board of Commissioners meeting must be made based on deliberation to reach consensus.
12. If a decision cannot be made by deliberation to reach a consensus, the decision is made by voting based on a vote in agreement of at least more than ½ (one half) of the number of votes cast in the meeting.

Internal Meeting of Board of Commissioners

Internal Meeting Plan of The Board of Commissioners

The Board of Commissioners has drawn up plans for a meeting in 2021 in the Work Program of the Board of Commissioners. The Board of Commissioners Meeting Plan is prepared as a guideline in the implementation of the meeting in accordance with the time specified both the internal meeting of the Board of Commissioners and the meeting with the Board of Directors, among others as follows:

Quarter I

- Monthly Review on Bank Performance).
- Review and approval of the Annual Report and Consolidated Financial Statements for the 2021 Audited Fiscal Year.
- Quarterly Review on Bank Performance for 2021
- Preparation for the 2021 Annual General Meeting of Shareholders.
- Program review and performance appraisal of the Board of Commissioners and Committees.

Quarter II

- Monthly Review on Bank Performance.
- Quarterly Review of Risk Profile, Business Activities, IT, HR, and Other Strategic Initiatives for the Quarter I/2021 period.
- Preparation for the 2021 Annual General Meeting of Shareholders
- Supervision and evaluation of the Bank's Soundness Level, Risk Management, Governance Implementation, as well as a review of the compliance function report and the implementation of the Compliance Director's duties.
- Preparation of the Nomination Process for the candidates for the Board of Directors/Commissioners of the Bank
- Review of Bank's internal policies/regulations (BPP/SOP);

Quarter III

- Monthly Review on Bank Performance
- Quarterly Review of Risk Profile, Business Activities, IT, HR, and Other Strategic Initiatives for the period of Quarter II/2021.
- Discussion of the Company's 2021 Work Plan and Budget.
- Discussion of the Nomination Process for Candidates for Directors/Commissioners of the Bank.
- Selection of Public Accounting Firm (KAP) for 2022 Financial Statement Audit (Audit Committee, Risk Monitoring Committee).

Quarter IV

- Monthly Review on Bank Performance.
- Quarterly Review of Risk Profile, Business Activities, IT, HR, and Other Strategic Initiatives for the Quarter III/2021 period.
- Approval of the Bank's 2022 Business Plan, Sustainable Finance Action Plan.
- Discussion of the follow-up to the results of the Nomination of Candidates for the Board of Directors/Commissioners of the Bank
- Discussion on the preparation of the Work Program and Budget of the Board of Commissioners and Committees for 2022.

Realization of The Internal Meeting of The Board of Commissioners

Throughout 2021, the agenda, dates 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	29/01/2021	Discussion includes: 1. Proposed Replacement of the Internal Audit Division 2. Activation of e-fill application for the Board of Commissioners and Committees 3. Work Programs & KPIs for the Committee of the Board of Commissioners	Akhmad Sukardi	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
			Budi Setiawan	Present	-
			Rudi Purwono	Not present	Sick
2	05/02/2021	Discussion includes: Discussion on the material for the 2020 Fiscal Year Annual GMS	Akhmad Sukardi	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
			Budi Setiawan	Present	-
			Rudi Purwono	Present	-
3	18/03/2021	Discussion includes: Discussion on Alternative Simulation of the Date of the Annual General Meeting of Shareholders (AGMS) for Fiscal Year 2020	Akhmad Sukardi	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
			Budi Setiawan	Present	-
			Rudi Purwono	Present	-
4	19/03/2021	Discussion includes: Discussion on the concept of the agenda for the 2020 Annual General Meeting of Shareholders of PT Bank Pembangunan Daerah Jawa Timur Tbk	Akhmad Sukardi	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
			Budi Setiawan	Present	-
			Rudi Purwono	Present	-
5	23/04/2021	Discussion includes: 1. Appointment of GMS leader and Distribution of Scenario Reading for AGMS for Financial Year 2020 2. Discussion of the Board of Directors' Proposals regarding Management Holiday Allowances	Akhmad Sukardi	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
			Budi Setiawan	Present	-
			Rudi Purwono	Present	-
6	30/04/2021	Discussion includes: Changes in Appointment of GMS Leaders and Distribution of Scenario Readings for AGMS for Financial Year 2020	Akhmad Sukardi	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri Ananda	Present	-
			Muhammad Mas'ud	Present	-
			Budi Setiawan	Not present	Permit
			Rudi Purwono	Present	-
7	21/05/2021	Discussion includes: 1. Determination of the Decree of the Board of Commissioners regarding the Guidelines for the Implementation of the Selection/Replacement System for the Members of the Board of Commissioners and the Board of Directors of Bank Jatim 2. Changes in the Composition of the Committees of the Board of Commissioners 3. BPD-SI Board of Commissioners Communication Forum 4. Others	Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-

No	Date	Meeting Agenda	Meeting Participants	Present/Not Present	Reason for Absence
8	11/05/2021	Discussion includes: Registration Process for Candidates for Commissioners and Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk	Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
9	19/07/2021	Discussion includes: Registration Process for Candidates for Commissioners and Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk	Heru Tjahjono	Present	-
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
10	24/07/2021	Discussion includes: Discussion on the Administrative Selection for the Registration of Candidates for Members of the Commissioners and Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk	Heru Tjahjono	Present	-
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
11	12/08/2021	Discussion includes: 1. Discussion on KPI for the Board of Commissioners & Committees for Semester I / 2021 2. Follow-up on the results of the selection of members of the Audit Committee & Risk Monitoring (Independent Party) 3. Discussion of OJK Directives regarding SOPs for the Selection and/or Replacement of Bank Jatim Management 4. Others	Heru Tjahjono	Present	-
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
12	02/09/2021	Discussion includes: 1. Discussion Regarding Preparation for Submission of Fit and Proper Test Documents for Candidates for Commissioners and Directors of Bank Jatim 2. Follow-up to OJK Letter regarding Candidate Management Qualification Documents 3. Others	Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
13	19/10/2021	Discussion includes: 1. Work Program of the Board of Commissioners and Committees for 2022 2. Budget for the Board of Commissioners and Committees for 2022 3. Follow-up to OJK Letter Number SR-195/KR.04/2021 Date 20 August 2021 concerning SOP for Selection and/or Replacement of Bank Jatim Management 4. Others	Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
14	25/10/2021	Discussion includes: 1. Budget and Expenditures for the Board of Commissioners and Committees for 2022 2. Others	Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-
15	16/12/2021	Discussion includes: Follow-up on Remuneration and Nomination Committee Recommendations	Heru Tjahjono	Not present	Provincial Government Office Permit
			Candra Fajri A.	Present	-
			Muhammad Mas'ud	Present	-

Joint Meeting of The Board of Commissioners With The Board of Directors

The Joint Meeting of the Board of Commissioners with the Board of Directors consists of a Joint Meeting of the Board of Commissioners inviting the Board of Directors or vice versa.

Realization of Joint Meetings of The Board of Commissioners and Board of Directors

Throughout 2021, the agenda, date and meeting participants of the Joint Board of Commissioners and the Board of Directors are as follows.

Table of Joint Meetings of the Board of Commissioners and the Board of Directors

No	Date	Meeting Agenda	Meeting Participants Dewan Komisaris	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
1	15/01/2021	Discussion includes: Bank Guarantee Legal Case Progress	Akhmad Sukardi	Present	-	Busrul Iman	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit	Ferdian Timur S.	Present	-
			Candra Fajri A.	Present	-	Erdianto Sigit C.	Present	-
			Muhammad Mas'ud	Present	-	Rizyana Mirda	Present	-
			Budi Setiawan	Present	-	Tonny Prasetyo	Present	-
			Rudi Purwono	Not present	Sick			
2	29/01/2021	Discussion includes: 1. Continuation of the Board of Commissioners & Directors Meeting Agenda Date 15 January 2021 2. Proposal of the Board of Directors regarding the BPP of the Board of Directors 3. Recommendations from the Board of Directors regarding the Internal Audit Division 4. Adjustment of RBB in 2021	Akhmad Sukardi	Present	-	Busrul Iman	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit	Ferdian Timur S.	Present	-
			Candra Fajri A.	Present	-	Erdianto Sigit C.	Present	-
			Muhammad Mas'ud	Present	-	Rizyana Mirda	Present	-
			Budi Setiawan	Present	-	Tonny Prasetyo	Present	-
			Rudi Purwono	Not present	Sick			
3	16/02/2021	Discussion includes: 1. Participants by the Legal Team of PT Bank Pembangunan Daerah Jawa Timur Tbk regarding Alternative Settlement of Bank Guarantee Claim Cases 2. Progress of Preparation for the AGMS of PT Bank Jatim for Fiscal Year 2020	Akhmad Sukardi	Present	-	Busrul Iman	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit	Ferdian Timur S.	Present	-
			Candra Fajri A.	Present	-	Erdianto Sigit C.	Present	-
			Muhammad Mas'ud	Present	Ijin	Rizyana Mirda	Present	-
			Budi Setiawan	Present	-	Tonny Prasetyo	Present	-
			Rudi Purwono	Not present	Sakit			

No	Date	Meeting Agenda	Meeting Participants Dewan Komisaris	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
4	03/03/2021	Discussion includes: 1. Compliance Director and Risk Management Report regarding the Development of the Bank Guarantee Case for Bank Jatim Jakarta Branch 2. Coordination Meeting for the Preparation of the AGMS of PT Bank Pembangunan Daerah Jawa Timur Tbk 3. Others	Akhmad Sukardi	Present	-	Busrul Iman	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit	Ferdian Timur S.	Present	-
			Candra Fajri A.	Present	-	Erdianto Sigit C.	Present	-
			Muhammad Mas'ud	Present	Pemit	Rizyana Mirda	Present	-
			Budi Setiawan	Present	-	Tonny Prasetyo	Present	-
			Rudi Purwono	Not present	Sick			
5	23/04/2021	Discussion includes: 1. Basic Bank Policy 2. Progress of Preparation for the AGMS of PT Bank Jatim for Fiscal Year 2020	Akhmad Sukardi	Present	-	Busrul Iman	Present	-
			Heru Tjahjono	Not present	Provincial Government Office Permit	Ferdian Timur S.	Present	-
			Candra Fajri A.	Present	-	Erdianto Sigit C.	Present	-
			Muhammad Mas'ud	Present	-	Rizyana Mirda	Present	-
			Budi Setiawan	Present	-	Tonny Prasetyo	Not Present	Official Travel Permit
			Rudi Purwono	Present	-			
6	28/05/2021	Discussion includes: 1. Development of Bank Jatim's Financial Performance 2. Development of Bank Jatim Information Technology 3. Social Media of Bank Jatim 4. EGMS Plan for 2021	Heru Tjahjono	Not present	Provincial Government Office Permit	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-
7	07/06/2021	Discussion includes: Development of Bank Guarantee Problems	Heru Tjahjono	Not Present	Provincial Government Office Permit	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-

No	Date	Meeting Agenda	Meeting Participants Dewan Komisaris	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
8	06/09/2021	Discussion includes: 1. Submission of the Results of the Selection Committee for the Selection of Commissioners and Directors and the 2021 Extraordinary GMS Plan 2. Board of Commissioners Committee 3. Branch Performance 4. Vaccination Cooperation	Heru Tjahjono	Not Present	Provincial Government Office Permit	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-
9	23/10/2021	Discussion includes: 1. Bank Jatim IT Problems 2. Bank Jatim Learning Center	Heru Tjahjono	Present	-	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-
10	03/11/2021	Discussion includes: Anti-Money Laundering and Countering the Financing of Terrorism	Heru Tjahjono	Not Present	Provincial Government Office Permit	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-
11	18/11/2021	Discussion includes: Follow-up on Bank Jatim IT Problems	Heru Tjahjono	Present	-	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-
12	18/11/2021	Discussion includes: Progress of Problems with Bank Guarantee Jakarta Branch	Heru Tjahjono	Present	-	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-

No	Date	Meeting Agenda	Meeting Participants Dewan Komisaris	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
13	19/11/2021	Discussion includes: 1. Bank Business Plan for 2022 2. Study of Bank Jatim Organizational Structure (SEVP) 3. Other	Heru Tjahjono	Not Present	Provincial Government Office Permit	Busrul Iman	Present	-
			Candra Fajri A.	Present	-	Ferdian Timur S.	Present	-
			Muhammad Mas'ud	Present	-	Erdianto Sigit C.	Present	-
						Rizyana Mirda	Present	-
						Tonny Prasetyo	Present	-

Frequency and Participants of Board of Commissioners' Meetings

During 2021, the Board of Commissioners has conducted and attended internal meetings 15 (fifteen) times and joint meetings of the Board of Commissioners with the Board of Directors 13 (thirteen) times. The frequency and participants of meetings for each member of the Board of Commissioners can be seen in the table below.

Table of Frequency and Participants of Board of Commissioners Meetings

Name	Position	Board of Commissioners Meeting			Joint Meeting of the Board of Commissioners with the Board of Directors			GMS		
		Number and Percentage of Presenters			Number and Percentage of Presenters			Number and Percentage of Presenters		
		Number of Meetings	Number of Presenters	Percentage	Number of Meetings	Number of Presenters	Percentage	Number of Meetings	Number of Presenters	Percentage
Akhmad Sukardi*	President Commissioner	6	6	100%	5	5	100%	1	1	100%
Rudi Purwono*	Independent Commissioner	6	5	83.3%	5	1	20%	1	1	100%
Candra Fajri Ananda	Independent Commissioner	15	15	100%	13	13	100%	1	1	100%
Muhammad Mas'ud	Independent Commissioner	15	15	100%	13	13	100%	1	1	100%
Budi Setiawan*	Commissioner	6	5	83.3%	5	5	100%	1	1	100%
Heru Tjahjono	Commissioner	15	3	20%	13	3	23%	1	1	100%

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Training and/or Increasing Competence of Members of The Board of Commissioners

In general, the policy regarding the competency development of members of the Board of Commissioners of Bank Jatim was regulated in the Board of Commissioners' Work Guidelines No. 060/01/DK/KEP dated January 15, 2021. In the Work Guidelines for the Board of Commissioners, it was stated that the Board of Commissioners should always improve knowledge and insight by following developments in the banking industry in particular and the business world in general so that it had a positive impact on the operations of Bank Jatim, one of which was through education programs/ training to improve the competence.

Specifically related to the implementation of education/ training programs to improve the competence of the Board of Commissioners, it was arranged in the work program of the Board of Commissioners every year. Competency development aimed to:

1. Increasing the insight and knowledge of the Board of Commissioners in accordance with their fields and business developments.
2. Increasing relationships and relationships with external stakeholders.
3. Supporting the implementation of duties and responsibilities supported by knowledge of educational outcomes.
4. Developing professional knowledge, competence and leadership abilities of the Directors and Board of Commissioners in line with the latest developments in the industry and good corporate governance.
5. Increasing awareness that education, introduction and development programs for the Board of Commissioners became an important part of the company's learning and development process in addition to strengthening the structure and strengthening corporate governance.

The Board of Commissioners determined that this education/training program had to be attended by each member of the Board of Commissioners at least 2 (two) times in 1 (one) year. The training and/or competency improvement attended by the Board of Commissioners during 2021 are as follows.

Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Akhmad Sukardi*	President Commissioner	FKDK BPDSI National Seminar "Efforts to Strengthen the Synergy of Regional Development Banks to Support the National Economy"	Jakarta, January 21, 2021	FKDK BPD SI WILAYAH TENGAH
Rudi Purwono*	Independent Commissioner	FKDK BPDSI National Seminar "Efforts to Strengthen the Synergy of Regional Development Banks to Support the National Economy"	Jakarta, January 21, 2021	FKDK BPD SI WILAYAH TENGAH
Candra Fajri Ananda	Independent Commissioner	FKDK BPDSI Seminar "Strengthening Active Supervision of the Board of Commissioners in order to encourage Regional Development Banks to be more Competitive, Adaptive, and Contributive to the National Economy"	Solo, October 29, 2021	FKDK BPD SI WILAYAH TENGAH
		National Seminar on FKDK BPDSI "The Role of Regional Development Banks throughout Indonesia in Empowering MSMEs"	Jakarta, 01 December 2021	FKDK BPD SI
		National Seminar on FKDK BPDSI "Bank Obligations for Spin Off (Separation) of Sharia Business Units"	Bandung, December 16, 2021	FKDK BPD SI
		FKDK BPDSI National Seminar "Efforts to Strengthen the Synergy of Regional Development Banks to Support the National Economy"	Jakarta, January 21, 2021	FKDK BPD SI WILAYAH TENGAH
		National Seminar on FKDK BPD SI "Banking Crime: Challenges and Prevention Strategies"	South Tangerang, 28 September 2021	FKDK BPD SI
		"Adapting and Sustaining The Indonesian Financial Service Sector In The Era of Digital Transformation and Industry"	Jakarta, 05 August 2021	PPKIJ EFECTIF PRO KNOWLADGE SOURCE
Muhammad Mas'ud	Independent Commissioner	FKDK BPDSI Seminar "Strengthening Active Supervision of the Board of Commissioners in order to encourage Regional Development Banks to be more Competitive, Adaptive, and Contributive to the National Economy"	Solo, October 29, 2021	FKDK BPD SI WILAYAH TENGAH
		National Seminar on FKDK BPDSI "The Role of Regional Development Banks throughout Indonesia in Empowering MSMEs"	Jakarta, 01 December 2021	FKDK BPD SI
		National Seminar on FKDK BPDSI "Bank Obligations for Spin Off (Separation) of Sharia Business Units"	Bandung, December 16, 2021	FKDK BPD SI
		"Adapting and Sustaining The Indonesian Financial Service Sector In The Era of Digital Transformation and Industry"	Jakarta, 05 August 2021	PPKIJ EFECTIF PRO KNOWLADGE SOURCE
		FKDK BPDSI National Seminar "Efforts to Strengthen the Synergy of Regional Development Banks to Support the National Economy"	Jakarta, January 21, 2021	FKDK BPD SI WILAYAH TENGAH
		National Seminar on FKDK BPD SI "Banking Crime: Challenges and Prevention Strategies"	South Tangerang, 28 September 2021	FKDK BPD SI
Budi Setiawan*	Commissioner	FKDK BPDSI National Seminar "Efforts to Strengthen the Synergy of Regional Development Banks to Support the National Economy"	Jakarta, January 21, 2021	FKDK BPD SI WILAYAH TENGAH

Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Heru Tjahjono	Commissioner	FKDK BPDSI Seminar "Strengthening Active Supervision of the Board of Commissioners in order to encourage Regional Development Banks to be more Competitive, Adaptive, and Contributive to the National Economy"	Solo, October 29, 2021	FKDK BPD SI WILAYAH TENGAH
		National Seminar on FKDK BPDSI "The Role of Regional Development Banks throughout Indonesia in Empowering MSMEs"	Jakarta, 01 December 2021	FKDK BPD SI
		National Seminar on FKDK BPDSI "Bank Obligations for Spin Off (Separation) of Sharia Business Units"	Bandung, December 16, 2021	FKDK BPD SI
		FKDK BPDSI National Seminar "Efforts to Strengthen the Synergy of Regional Development Banks to Support the National Economy"	Jakarta, January 21, 2021	FKDK BPD SI WILAYAH TENGAH
		National Seminar on FKDK BPD SI "Banking Crime: Challenges and Prevention Strategies"	South Tangerang, 28 September 2021	FKDK BPD SI

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

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 participantss, meetings or visits to the Company's facilities, introductions to Division Leaders, Groups and employees of the Company and other programs.

During 2021 there were no new Directors, so there was no orientation for new Directors

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 2021 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 2021, the Board of Commissioners has issued as many as 11 (eleven) letters of approval, among others, on approval of the Proposed Organizational Structure, credit to the relevant parties, and other approvals that are the authority of the Board of Commissioners as stipulated in the Articles of Association and applicable regulations. Some of these agreements may be submitted as follows:

No	Letter Date	Subject
1	January 29, 2021	2021 Audit Plan Approval
2	04 February 2021	Approval of Adjustment of Bank Jatim Business Plan 2021
3	04 February 2021	Approval of SO Learning Center Chart PT Bank Pembangunan Daerah Jawa Timur Tbk
4	04 February 2021	Approval of the Board of Directors' Work Implementation Guidelines
5	01 April 2021	Approval of Adjustment of Bank Jatim Business Plan 2021
6	June 29, 2021	Approval of the 2021 Bank Business Plan Revision

No	Letter Date	Subject
7	02 September 2021	Approval of Changes in Audit Plan 2021
8	02 September 2021	Approval of Financing for PT Kasa Husada Wira Jatim (PT Panca Wira Usaha Jatim)
9	October 26, 2021	Approval of the Terms of Reference (KAK) and Self-Estimated Price (HPS) for the Audit Supervision Work on the Financial Statements of PT Bank Pembangunan Daerah Jawa Timur Tbk for the 2021 Fiscal Year
10	November 22, 2021	Approval and Appointment of KAP to audit the Financial Statements of PT Bank Jatim for the 2021 Fiscal Year
11	November 25, 2021	Approval of Bank Jatim Business Plan 2022

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 2021, 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 Commissioner

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 followup 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 2021, 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 Number and Date	Subject
1	060/22/DK/SRT (26 February 202)	Report on the Supervision of the Board of Commissioners on the Implementation of the Second Semester of 2020 RBB.
2	060/117/DK/SRT (23 August 2021)	Supervisory Report of the Board of Commissioners on the Implementation of the Bank's First Semester 2021 Business Plan.

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 review and response to the Bank's Business Plan (RBB).
 - b. Implementation of a follow-up review of the results/findings of the audit (Internal/External).
 - c. Implementation of the Results of the Governance Self Assessment.

- d. Implementation of a review of the Risk Profile Report, Review of the Compliance Function Report, Result of Review of Bank Soundness Level Report.
- e. Implementation of a review of the Board of Directors' policies (credit policy, capital, risk management strategy, remuneration, and others).
2. Active Supervision of the Board of Commissioners, including:
 - a. Number of meetings.
 - b. Implementation of a review of the Bank's business and financial performance reports (regular monitoring of the Bank's performance).
 - c. Participate in branch and work unit performance evaluation activities.
 - d. Visits to branches in order to carry out the supervisory function..
3. Supervision of the Company's Performance
 - a. Rentability
 - b. Liquidity
 - c. Credit
4. Learning and Growth

Parties That Do The Assessment

The Board of Commissioners' performance assessment process is carried out every semester and discussed in the Board of Commissioners' Internal Meeting by observing the achievement of each of the assessment indicators. In addition, the Board of Commissioners is also responsible for its performance to Shareholders in the GMS based on the obligations stated in the prevailing laws and regulations. The Board of Commissioners will be held accountable for their performance in the 2021 period in the Annual GMS to be held in 2022.

Results of The Board of Commissioner Performance Assessment

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final Score
1	Passive supervision of the Board of Commissioners	a. Implementation of review and response to the Bank's Business Plan (RBB)	Held every semester (Twice a year)	The review and response to the Bank's Business Plan has been carried out by the Board of Commissioners in accordance with the provisions	1	10	10
		b. Implementation of a follow-up review of the results/findings of the audit (Internal/External).	Implemented according to the provisions and on time according to the target. (minimum twice a year)	Review of Audit Results Report Internal and external audits are carried out in accordance with the provisions and on time according to the target	1	7.5	7.5
		c. Implementation of the Results of the Governance Self Assessment.	Implemented according to the provisions and on time according to the target. (Twice a year)	GCG Self-Assessment Assessment is carried out every semester in accordance with the provisions and on time according to the target	1	5	5

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final Score
		d. Implementation of a review of the Risk Profile Report, Review of the Compliance Function Report, Result of Review of Bank Soundness Level Report	Implemented according to the provisions and on time according to the target. (Twice a year).	Implementation of a Review on the Risk Profile Report and Compliance Function as well as the soundness of the bank is carried out every semester according to the target	1	5	5
		e. Implementation of a review of the policies of the Board of Directors (credit policies, capital, risk management strategies, remuneration, etc.)	Implemented as needed and on time according to target. (minimum once a year)	The implementation of the review of the Board of Directors' policies is carried out in accordance with the target	1	7.5	7.5
Sub Total						Sub-Total	35.0
2.	Active Supervision of the Board of Commissioners	a. Number of Meetings	Internal Meetings of the Board of Commissioners at least 12 times a year (every semester 6 meetings)	Meetings of the Board of Commissioners during 2021 were carried out 15 times	1	12.5	12.5
			Meetings of the Board of Commissioners with the Board of Directors are held at least 6 times a year (every semester 3 meetings)	Meetings of the Board of Commissioners and Directors during 2021 were carried out 13 times	1	10	10
		b. Implementation of a review of the Bank's business and financial performance reports (regular monitoring of bank performance)	Held at every meeting of the Board of Commissioners and the Board of Directors according to the target, which is every 2 months (1 year 6 times/ 3 times in 1 semester)	The implementation of the review of the Bank's business and financial performance reports during 2021 was carried out in 7 meetings of the Board of Commissioners & Directors	1	10	10
		c. Participate in branch and work unit performance evaluation activities	Participate in performance evaluation activities of branches/ work units (Every quarter)	The implementation of branch/work unit performance evaluation activities is carried out according to the target	1	7.5	7.5
		d. Visits to branches in order to carry out the supervisory function	Minimum 3 times a year	The implementation of visits to branches in order to carry out the supervisory function in Semester I/2021 was carried out according to the target	1	5	5
Sub Total						Sub-Total	45.00
3	Company Performance	a. Profitability	TARGET	REALIZATION			
		- Net profit	1,425,000	1,582,838	1	2.5	2.5
		- Return on Asset (ROA)	2.02%	2.17%	1	2.5	2.5
		b. Liquidity	TARGET	REALIZATION			
		- Third Party Funds (TPF)	74,005,000	83,201,867	1	2.5	2.5
		- LDR	61.17%	51.38%	0.84	2.5	2.1
		c. Credit	TARGET	REALIZATION			
-Credit Expansion	45,267,237	42,749,559	0.94	2.5	2.35		
- NPL	3.64%	4.48%	0.81	2.5	2.03		
Sub Total						15	13.98
4	Learning & Growth	Competency introduction/development programs (Workshops, seminars, conferences, etc.)	Minimum 3 times a year	The implementation of the Workshop/seminar/ Board of Commissioners in Semester I/2021 was carried out according to the target	1	5	5
Sub Total						5.00	5.00
TOTAL						100.00	98.98

Total Rating	Description
Score 80 – 100	Very good
Score 70 - < 80	Good
Score 55 - < 70	Pretty good
Score < 55	Poor

Performance Assessment of The Board of Directors

The evaluation of the performance of the Board of Directors conducted by the Board of Commissioners and Shareholders was held in the process of the General Meeting of Shareholders (GMS). The assessment was carried out based on the achievement of key performance indicators (KPI) that had been previously approved by the Shareholders, the Board of Commissioners and the Board of Directors.

Procedure for Implementing The Performance Assessment of The Board of Directors

The performance achievement of the Board of Directors is reported to shareholders through the GMS.

Board of Directors' Performance Evaluation Criteria

Performance Appraisal of Individual Director:

1. President Director
 - Achievement of Financial Performance (Profit, Credit, Third Party Funds) and Financial Ratios
 - Performing Loan
 - Bank Soundness Level
 - Service Standard Rank
 - Implementation of Good Corporate Governance
 - CSR distribution is right on target
2. Director of Commercial and Corporate
 - Performance (Profit, Credit, Third Party Funds) and Financial Ratios
 - Realization of Corporate and Syndicated Commercial Loans
 - Performing Loan
 - Bank Soundness Level
 - Service Standard Rank
 - Implementation of Good Corporate Governance
 - Active & Passive Coaching To Branches
 - Fee Base Income Contribution
 - Increased Digital Banking transactions
 - Foreign Exchange Transactions
 - Maintain good relations and increase cooperation with institutions
3. Director of Consumer, Retail and Sharia Business
 - Performance (Profit, Credit, Third Party Funds) and Financial Ratios
 - Realization of Retail and Sharia Loans
 - Realization of Consumer Credit
 - Performing Loans
 - Bank Soundness Level
 - Service Standard Ranking
4. Director of IT and Operation
 - Implementation of Good Corporate Governance
 - Active & Passive Coaching To Branches
 - Fee Base Income Contribution
 - Increased Digital Banking transactions
5. Director of business risks
 - Performance (Profit, Credit, Third Party Funds) and Financial Ratios
 - Performing Loan
 - Bank Soundness Level
 - Service Standard Rank
 - Implementation of Good Corporate Governance
 - Active & Passive Coaching To Branches
 - Extracomtable Achievements
6. Director of Finance
 - Performance (Profit, Credit, Third Party Funds) and Financial Ratios
 - Bank Soundness Level
 - Service Standard Rank
 - Implementation of Good Corporate Governance
 - Active & Passive Coaching To Branches
 - Trade Finance Transactions
 - Realization of KUD and RBB
 - Compliance with financial reporting
7. Director of Compliance and Risk Management
 - Performance (Profit, Credit, Third Party Funds) and Financial Ratios
 - Bank Soundness Level
 - Service Standard Rank
 - Implementation of Good Corporate Governance
 - Active & Passive Coaching To Branches
 - Achievement of Human Capital management strategies and targets
 - Monitoring the completion of audit follow-up
 - Monitoring compliance with banking regulations
 - Implementation of HR Transformation by increasing the competence & quality of HR
 - Implementation of Corporate Culture

Board of Directors KRA (Key Results Area) weights for 2021:

ASPECT	KRA	Measurement	Value
FINANCIAL	Asset	According to RBB	14.00%
	Credit	According to RBB	10.50%
	Profit	According to RBB	10.50%
	NPL Ratio	According to RBB	10.50%
	Financial Ratio	According to RBB	10.50%
	Third-party funds	According to RBB	7.00%
	Fee Based Income	According to RBB	7.00%
CUSTOMER FOCUS	Service Standard Rank	Ranking	3.00%
	Credit Market Share	According to RBB	2.50%
	DPK Market Share	According to RBB	2.50%
	PEFINDO Ranking	Ranking	1.00%
	Audit Finding	According to RBB	1.00%
INTERNAL BUSSINESS PROCESS	TKB (Bank Soundness Level)	According to RBB	3.00%
	GCG	According to RBB	3.00%
	Project Initiation	According to RBB	3.00%
	Active & Passive Coaching for Branches	According to RBB	3.00%
	IT Operations	According to RBB	3.00%
LEARNING & GROWTH	Implementation of Corporate Culture	According to RBB	2.50%
	Employee Competence	According to RBB	1.50%
	Policy Outreach	According to RBB	1.00%
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 2021 period will be conveyed and accounted for in the GMS which will be held in 2022.

Performance Assessment of The Committee Under The Board of Commissioners and The Basis of The Assessment

The procedure for evaluating the performance of the Committees under the Board of Commissioners periodically (annually) evaluated the effectiveness of the performance of the Committees under the Board of Commissioners. The evaluation criteria for the Committees under the Board of Commissioners were based on the

Key Performance Indicators that had been set for each Committee under the Board of Commissioners. Committee KPIs under

Mechanism of Termination and Withdrawal of The Board of Commissioners

The mechanism for dismissal and resignation of the Board of Commissioners based on the Articles of Association are as follows:

- Members of the Board of Commissioners are appointed and terminated by the GMS.
- Member of the Board of Commissioners may submit a request to resign from his/her position by notifying in writing of this purpose to the Controlling Shareholders of the Company.
 - The company is obliged to hold a GMS to decide on the resignation application as referred to in letter a, no later than 90 (ninety) days after the resignation letter is received.
 - Before the resignation becomes effective, the relevant members of the Board of Commissioners are still obliged to complete their duties and responsibilities in accordance with the articles of association and laws and regulations.
- The position of a member of the Board of Commissioners ends if:

- a. Losing 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.

Training and/or Increasing The Competence of Members of The Sharia Supervisory Board

During 2021, all members of the Sharia Supervisory Board did not participate in training and/or competency improvement.

Orientation Program For New Sharia Supervisory Board

The Orientation Program is very important to be implemented for DPS who are taking office for the first time. Provisions regarding the mandatory Orientation program regarding the Company's activities. The orientation program that is given can be in the form of participantss, meetings or visits to the Company's facilities, introductions to Division Leaders, Groups and employees of the Company and other programs.

During 2021, there will be no new Sharia Supervisory Board. So there is no orientation program for the new DPS.

Concurrent Position of Sharia Supervisory Board

Table of Concurrent Positions of Sharia Supervisory Board

Name	Position	Position in Other Companies/ Agencies	Company Name/ Other Agencies
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	Chairman	Salafiyah Syafi'iyah Islamic Boarding School Sukorejo Foundation
Dr. H. M. Saad Ibrahim, MA	Member	Chairman	Regional Leaders of Muhammadiyah East Java
		Lecturer	Maulana Malik Ibrahim State Islamic University (UIN) Malang

Ownership of Sharia Supervisory Board

Table of Sharia Supervisory Board' Share Ownership

Name	Position	Share Ownership in Bank Jatim
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	None
Dr. H. M. Saad Ibrahim, MA	Member	None

Meeting of Sharia Supervisory Board

Internal Meeting of Sharia Supervisory Board

Throughout 2021, 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.	January 13, 2021	Discussion of Current Accounts for Mudharabah iB Barokah	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
2.	February 16, 2021	EDC Acquirer Opinion Discussion	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
3.	February 22, 2021	FGD Review of Waqf Deposit Products	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
4.	March 2, 2021	Cardless Opinion Discussion	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
5.	March 30, 2021	Discussion of Opinions of Laku Pandai Syariah Agents Serving Conventional Transactions	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
6.	June 16, 2021	DPS Coordination Meeting UUS Performance Submission	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
7.	30 July 2021	FGD Draw with Prizes Savings Barokah	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
8.	August 31, 2021	Discussion of Opinions on Giving Barokah Savings Gifts	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
9.	October 18, 2021	FGD for Halal Industrial Area	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
10.	October 21, 2021	Discussion of Opinion on Halal Industrial Estate Financing	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
11.	October 29, 2021	Bancassurance FGD	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
12.	November 2, 2021	Discussion of Bancassurance Opinions with PT Asuransi Jiwa Generali	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
13.	November 23, 2021	FGD Dual Banking Leveraging Model (DBLM), Linkage Fintech Financing & iB Griya Barokah KPR Financing	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present

No.	Date	Agenda	Participant	Attendance
14.	November 29, 2021	Discussion of Fintech Linkage Financing Opinions	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
15.	November 29, 2021	Discussion of Opinions on KPR iB Griya Barokah Financing	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
16.	December 1, 2021	Discussion of Opinion on Dual Banking Leveraging Model (DBLM)	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present
17.	December 14, 2021	FGD of Revolving Funds and Products in Foreign Currency	Dr. KH. Afifuddin Muhajir, M.Ag	Present
			Dr. H. M. Saad Ibrahim, MA	Present

Meeting Frequency and Participants

During 2021, the Sharia Supervisory Board has held internal meetings 17 (seventeen) times. The frequency and participants of each member of the Sharia Supervisory Board can be seen in the table below.

Table of Frequency and Participants of Sharia Supervisory Board Meetings

Name	Position	Sharia Supervisory Board Meeting		
		Number and Percentage of participants		
		Number of Meetings	Number of participants	Percentage
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	17	17	100%
Dr. H. M. Saad Ibrahim, MA	Member	17	17	100%

Frequency and Manner of Advising and Advice and Supervision of The Fulfillment of Sharia Principles In The Capital Market To Issuers or Public Companies

Advice and advice is done on several occasions. One of them is when the DPS meeting is also stopped by management. Throughout 2021, DPS has issued as many as 10 (ten) Opinions of sharia supervisory boards. DPS has carried out its duties by supervising the fulfillment of the Sharia Principles of Bank Jatim and issuing opinions including:

1. DPS Opinion Regarding iB Barokah Mudharabah Current Account
2. DPS Opinion Regarding EDC Acquirer
3. DPS Opinion Regarding Cardless
4. DPS Opinion Regarding Sharia Laku Pandai Agents Serving Conventional Transactions
5. DPS Opinion Regarding the Giving of Barokah Savings Gifts
6. DPS Opinion Regarding Halal Industrial Estate Financing
7. DPS Opinion Regarding Bancassurance PT Asuransi Jiwa Generali
8. DPS Opinion Regarding Fintech Linkage Financing
9. DPS Opinion Regarding iB Griya Barokah Mortgage Financing
10. DPS Opinion Regarding Dual Banking Leveraging Model (DBLM)

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 selfassessment and was submitted to the Board of Commissioners and the GMS.

Evaluation Criteria of The Sharia Supervisory Board Performance

Assessment of DPS performance based on the implementation of DPS tasks during 2021. The implementation of DPS tasks is seen from the number of meetings held and opinions and recommendations that have been issued.

Parties That Do The Assessment

SSB conducted an independent assessment of SSB performance during 2021 (self assessment).

Results of The Sharia Supervisory Board 'Performance Assessment

During 2021, the Sharia Supervisory Board has performed its role well. By carrying out 17 (seventeen) meetings and issuing opinions or recommendations related to the business activities of Sharia Business Units.

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.
- 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.

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

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

Structure and Membership

The Company is managed and led by a Board of Directors consisting of at least 3 (three) Directors, one of whom is appointed as President Director.

1. The members of the Board of Directors are appointed and dismissed by the GMS.
2. Detailed procedures for the appointment of members of the Board of Directors will be stated in a resolution of the GMS.

General Requirement

To be appointed as a member of the Board of Directors, the following requirements are met :

1. Healthy as physically and spiritually.
2. Have expertise, integrity, leadership, experience, honesty, good behavior, and high dedication to advancing and developing the company.
3. Understand the implementation of regional government.
4. Understand the management of the company.

5. Have adequate knowledge in the field of business of the company.
 6. The minimum degree is Strata I (S-1).
 7. Minimum 5 (five) years of work experience in the managerial field of a legal entity company and has led a team.
 8. Minimum age is 35 (thirty five) years and maximum is 55 (fifty five) years at the time of first registration.
 9. Never been a member of the Board of Directors, member of the Supervisory Board, or member of the Board of Commissioners who was found guilty of causing the business entity to be led to be declared bankrupt.
 10. Never been punished for committing a crime that was detrimental to state finances or regional finances.
 11. Not currently undergoing criminal sanctions.
 12. Not being an administrator of a political party, candidate for regional head or candidate for deputy regional head, and/or candidate for member of the legislature.
 13. Not a member of the Indonesian National Army Forces, Indonesian National Police, and/or Civil Servant, except for Civil Servants assigned as temporary Directors as regulated in East Java Provincial Regulation Number 8 of 2019 concerning Regional Owned Enterprises.
 14. Has fulfilled 3 (three) kinds of requirements, namely Formal Requirements, Material Requirements, and Other Requirements, among others:
 - a. Formal Terms

Indonesian Citizens who:

 - Trust in the Almighty God.
 - Loyal and obedient to the state and government of the Republic of Indonesia.
 - Not involved directly or indirectly in treasonous activities to the Republic of Indonesia.

Individuals who are capable of carrying out legal actions, unless within 5 (five) years prior to the appointment the person concerned has:

 - Declared bankrupt.
 - Being a member of the Board of Directors or Board of Commissioners who is found guilty of causing a company to be declared bankrupt.
 - b. Material Terms
 - Having competence, good moral integrity. The person concerned had never been involved in:
 - Engineering acts and deviant practices in the management of the company/institution where the person concerned worked prior to nomination (behaving dishonestly).
 - Acts of default in accordance with the commitments that had been agreed with the company/institution where the person concerned works prior to nomination.
 - Actions categorized as being able to provide unlawful benefits in the company/institution where the person concerned works prior to nomination.
 - Acts categorized as a violation of the provisions relating to the principles of healthy company management (bad behavior).
 - c. Other Terms
 - Willing to comply with the prevailing laws and regulations, especially in the banking sector.
 - Having no family relationship up to the second degree including fellow members of the Board of Directors or members of the Board of Commissioners.
 - Passing the fit and proper test in accordance with the provisions of the Financial Services Authority regarding the fit and proper test.
 15. Candidates for the Board of Directors may come from Internal and/or external Bank Jatim.
 - a. Candidates for the Board of Directors from the Bank's internal parties must meet the following requirements:
 - Active executive officers who were one level below the Board of Directors.
 - Serving at least 2 (two) different executive positions.
 - b. For candidates for directors from external parties, the Bank must meet the following requirements:
 - Having experience as a professional by serving as an Executive Officer in a Bank/Non-Bank financial institution that operates nationally and/or has assets at least equal to the assets of Bank Jatim for the last 5 (five) years.
 - Having knowledge and/or expertise in the field required by the Issuer or Public Company.
 16. Having a good financial track record as evidenced by documents that have been issued by the authorized agency.
- The provisions of the requirements for candidates who can be appointed as Directors mentioned above shall take into account the prevailing laws and regulations in the capital market sector 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. The company could develop special requirements which were details of competence and other things required for prospective members of the Board of Directors according to the needs of the company which would then be submitted and stated in the resolution of the GMS;

1. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who during the tenure:
 - a. Never holding an annual GMS.
 - b. The responsibilities as a member of the Board of Directors and/or a member of the Board of Commissioners had never been accepted by the GMS or had not provided accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS.
 - c. Having caused a company obtaining a permit, approval, or registration from the financial services authority to fail fulfilling the obligation to submit an annual report and/or financial report to the Financial Services Authority.
2. Especially for candidates for Directors proposed to be candidates for President Director were officials who had one level below the President Director and were still active as Directors of National Commercial Banks and/or had assets at least equal to the assets of Bank Jatim.

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.

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 2021 was last amended by Decree of the Board of Directors Number 057/206/DIR/CSE/KEP dated 09 February 2021 concerning the Third

Duties of the Board of Directors

The Duties of the Board of Directors are as follows.

Table of Duties of the Board of Directors

Name	Position	Task field
Busrul Iman	President director	Coordinate the implementation of Corporate Secretary and Internal Audit Division activities.
Rizyana Mirda	Director of Business Risk	Coordinate the implementation of the activities of the Business Risk Division and the Credit Rescue and Settlement Division.
Tonny Prasetyo	Director of IT and Operation	Coordinate the activities of the General Division, Information Technology Division and Operations Division.
Ferdian Timur Satyagraha	Director of Finance	Coordinate the implementation of SEVP activities for Strategic Planning and Branch Development, Financial Control and Treasury Division.
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Coordinate the implementation of the activities of the Corporate Risk Management Division, Compliance and Governance Division, Legal Division and Human Capital Division.

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
10. Working relationship between the Board of Commissioner and the Board of Directors
11. Capabilities Orientation and Improvement Program

Governance Outcome

1. Report
2. Document Distribution

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	Director of Business Risk		√		√		√		√		√		√		√
Tonny Prasetyo	Director of IT and Operation		√		√		√		√		√		√		√
Ferdian Timur Satyagraha	Director of Finance		√		√		√		√		√		√		√
Erdianto Sigit Cahyono	Director of Compliance and Risk Management		√		√		√		√		√		√		√

Policy of Concurrent Position of Board of Directors

As a commercial bank, Bank Jatim was also guided by the Financial Services Authority Regulation Number 55/POJK.03/2016 concerning the Implementation of Governance for Commercial Banks, which regulated, among others:

- Members of the Board of Directors are prohibited from holding concurrent positions as members of the Board of Directors, members of the Board of Commissioners or Executive Officers at banks, companies and/or other institutions. It does not include concurrent positions as referred to in paragraph (1) in the event that the Board of Directors who is responsible for supervising the Bank's participation in a subsidiary company carries out functional duties as a member of the Board of Commissioners in a non-Bank subsidiary company controlled by the Bank, as long as it does not result in the person concerned neglecting the implementation duties and responsibilities as a member of the Bank's Board of Directors.
- The majority of members of the Board of Directors were prohibited from having family relationships to the second degree with fellow members of the Board of Directors and/or with members of the Board of Commissioners.

Table of Concurrent Position of Board of Directors

Name	Position	Position in Other Companies/ Others Agencies	Name of Company /Other Agencies
Busrul Iman	President Director	-	-
Rizyana Mirda	Business Risk Directo	-	-
Tonny Prasetyo	Director of IT and Operation	-	-
Ferdian Timur Satyagraha	Director of Finance	-	-
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	-	-

Management of Conflicts of Interest In The Board of Director

Conflict of interest arrangements had been determined through the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 059/222/DIR/KPT/KEP dated August 18, 2020 concerning Guidelines for Implementation of Conflicts of Interest for PT Bank Pembangunan Daerah Jawa Timur Tbk.

This conflict of interest regulation is intended so that the 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	1.556.400 (0,0103653%)
Rizyana Mirda	Director of Business Risk	3.699.333 (0,0246368%)
Tonny Prasetyo	Director of IT and Operation	346.000 (0,0023043%)
Ferdian Timur Satyagraha	Director of Finance	2.581.833 (0,0171945%)
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	305.600 (0,0020352%)

Meeting of The Board of Directors

Meeting Policy

The policy of the Board of Directors' Meeting of PT Bank Pembangunan Daerah Jawa Timur Tbk is as follows:

1. Financial Services Authority Regulation (POJK) Number 33/POJK.04/2014 Date 8 December 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies;
2. Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 060/044/DIR/CSE/KEP Date 09 February 2021 concerning the Fourth Amendment to the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 056/006/DIR/CSE/KEP Date 17 January 2017 regarding the Work Manual for the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk.

In the Meeting of the Board of Directors, it is stipulated as follows:

1. The Board of Directors is required to hold a Board of Directors Meeting periodically at least 1 (one) time in every month and/or every time.

2. Meetings of the Board of Directors may be held if attended by a majority of all members of the Board of Directors.
3. The presence of members of the Board of Directors at the meeting must be disclosed in the Company's annual report.
4. The Board of Directors must schedule a meeting for the following year before the end of the financial year with the following conditions:
 - a. At the scheduled meeting, the meeting materials are submitted to the meeting participants no later than 5 (five) days before the meeting is held.
 - b. In the event that a meeting is held outside the schedule that has been prepared, the meeting materials are submitted to the meeting participants no later than before the meeting is held.
5. Decision making in the Board of Directors Meeting is based on deliberation and consensus. In the event that a consensus decision is not reached, the decision is made based on a majority vote.
6. The Board of Directors meeting is chaired by the President Director, in the event that the President Director is absent or unable to attend, the Board of Directors Meeting will be chaired by a member of the Board of Directors who is elected by and from the members of the Board of Directors present.

Board of Directors 'Meeting Plan

No	Month	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 2021, the agenda, dates and participants of the Board of Directors Meeting are as follows.

Table of Board of Directors Meeting

No.	Date	Agenda	Meeting Participants	Present/ Not Present	Reasons for Absence
1.	January 12, 2021	<ol style="list-style-type: none"> Evaluation of unaudited TB 2020 performance, improvements that need to be done and efforts in 2021. Draft POJK on Commercial Banks. Division program in accordance with the RBB. Time Schedule of OJK findings per Board of Directors. Corporate Action. 	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Not Present	Business Travel Assignments
2.	January 28, 2021	<ol style="list-style-type: none"> Commitment to Follow Up on FSA Audit Findings (evaluation of the Board of Directors Meeting). Progress of PT Bank Jatim GMS for Fiscal Year 2020. 	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
3.	February 23, 2021	<ol style="list-style-type: none"> Discussion of follow-up monitoring and evaluation of the results of the Board of Directors Meeting on January 28, 2021. Progress of PT Bank Jatim Annual GMS for Fiscal Year 2020. Government Policy and Regulatory Strategy. 	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
4.	March 18, 2021	Evaluation of Bank Jatim's performance and business	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Not Present	Out-of-town Service Tasks
			Erdianto Sigit Cahyono	Present	
5.	March 30, 2021	<ol style="list-style-type: none"> Discussion on follow-up monitoring and evaluation of the results of the Board of Directors Meeting dated February 23, 2021. Progress of Preparation for the Annual GMS of PT Bank Jatim for Fiscal Year 2020. 	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Not Present	Out-of-town Service Tasks
6.	April 14th 2021	<ol style="list-style-type: none"> Preparation for the Annual GMS of PT Bank Jatim for Fiscal Year 2020, in particular for Agenda 2. Discussion on Follow-up Monitoring and Evaluation of the Decisions of the Board of Directors Meeting Date 18 and 30 March 2021. Procurement Plan for IBM iSeries Server for Core Banking System. 	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
7.	May 18, 2021	<ol style="list-style-type: none"> Evaluation of Bank Jatim's Financial Performance. Follow-up to the Implementation of the 2020 Fiscal Year Annual GMS. Selection of Bank Jatim Digital Brand Logo. 	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	

No.	Date	Agenda	Meeting Participants	Present/ Not Present	Reasons for Absence
8.	May 25, 2021	1. Follow-up to the Board of Directors Meeting Date April 14, 2021. 2. E-Banking Card Center Performance and Service Standards.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Not Present	Out-of-town Service Tasks
			Erdianto Sigit Cahyono	Present	
9.	June 21, 2021	1. Discussion on Follow-up Monitoring Evaluation of the Resolutions of the Board of Directors Meeting Date 18 and 25 May 2021. 2. Proposed Renewal Branding for Bank Jatim Millennial Generation & Jingle Lyrics for Bank Jatim Millennial Generation.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
10.	July 28, 2021	Discussion on Follow-up Monitoring and Evaluation of the Decisions of the Board of Directors Meeting Date 21 June 2021.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
11.	August 16, 2021	Discussion on Share-Based Management Remuneration Share Purchase Price in 2020 Long Term Incentive Program.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
12.	September 15, 2021	Discussion on Follow-up Monitoring and Evaluation of the Resolutions of the Board of Directors Meeting Date 28 July and 16 August 2021.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
13.	September 27, 2021	Discussion of the 2021 End of Year Performance and the progress of each Directorate.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
14.	October 24, 2021	1. Discussion of Cyber Security Response & Transformation. 2. Discussion on Follow-up Monitoring and Evaluation of the Resolutions of the Board of Directors Meeting Date 15 and 27 September 2021.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
15.	November 24, 2021	1. Preparation of the 2022 Bank Business Plan (RBB). 2. Discussion on Follow-up Monitoring and Evaluation of the Resolutions of the Board of Directors Meeting Date 24 October 2021.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	

No.	Date	Agenda	Meeting Participants	Present/ Not Present	Reasons for Absence
16.	December 22, 2021	1. KAP, AR, AGM Timeline Progress. 2. Procedure for Assessment of the Board of Directors on the Performance of the Board of Directors Committee. 3. Follow-up Monitoring Evaluation of the Decision of the Board of Directors Meeting Date 24 November 2021.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	

The agenda and meeting participants of the combined Board of Commissioners and the Board of Directors have been presented in the Board of Commissioners' Meeting section of the Corporate Governance Chapter of this annual report.

Meeting Frequency and Attendance

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			GMS		
		Number and Percentage of Attendance			Number and Percentage of Attendance			Number and Percentage of Attendance		
		Number of Meetings	Number of Attendance	Percentage	Number of Meetings	Number of Attendance	Percentage	Number of Meetings	Number of Attendance	Percentage
Busrul Iman	President Director	16	16	100%	13	13	100%	1	1	100%
Rizyana Mirda	Director of Business Risk	16	16	100%	13	13	100%	1	1	100%
Tonny Prasetyo	Director of IT and Operation	16	16	100%	13	12	92,31%	1	1	100%
Ferdian Timur Satyagraha	Director of Finance	16	14	87,5%	13	13	100%	1	1	100%
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	16	14	87,5%	13	13	100%	1	1	100%

Training and/or Enhancement of The Competency of The Board of Directors Members

In order to improve the effectiveness of the performance of the Board of Directors, capacity building was carried out such as seminars and/or training. This became one form of governance implementation for Commercial Banks related to the need that:

- Members of the Board of Directors had adequate competence and were relevant to their positions to carry out their duties and responsibilities and were able to implement their competencies in carrying out their duties and responsibilities.
- Members of the Board of Directors had the willingness and ability to carry out continuous learning in order to increase knowledge about banking and the latest developments related to the financial sector or other fields that support the implementation of their duties and responsibilities.

The training and/or competency improvement attended by the Board of Directors during 2021 are as follows.

Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Busrul Iman	President Director	Studio Generale Marketing, Technology, and Humanity	September 18, 2021, Online (Zoom Cloud Meeting)	PT Markplus Indonesia
Rizyana Mirda	Director of Business Risk	Risk Management Certification Refreshment Program	July 22, 2021, Online (Zoom Cloud Meeting)	MAISA EDUKASI
		Virtual Seminar "Underlying Regulation for Future Banking Business"	November 23, 2021, Online (Zoom Cloud Meeting)	Efektif Pro
		Virtual Seminar "Role of CRO (Chief Risk Officer) Sustainable Corporate Strategy Building Governance, Risk Management, and Compliance Towards Principled Performance"	November 25, 2021, Online (Zoom Cloud Meeting)	LPPI
Tonny Prasetyo	Director of IT and Operation	Governance Webinars	09 February 2021, Bromo Room 5th Floor Headquarters	Compliance Division
		Webinar with the Governor of East Java 'Banking Refreshment'	March 10, 2021, Bromo Room 5th Floor Headquarters	Compliance Division
		BI FAST ASBANDA Workshop	24-25 June 2021, Bali	ASBANDA
		Webinar Cyber Threats and Mitigation on Communication Networks	July 07, 2021, Online (Zoom Cloud Meeting)	OJK
		Invitation to Virtual Discussion With OJK	August 27, 2021, Online (Zoom Cloud Meeting)	OJK
		Banking Commitment and Readiness to Support Bank Indonesia's Core Banking System (CBS) Implementation Plan	September 01, 2021, Online (Zoom Cloud Meeting)	Bank Indonesia
		Studio Generale Marketing, Technology, and Humanity	September 18, 2021, Online (Zoom Cloud Meeting)	PT Markplus Indonesia
Ferdian Timur Satyagraha	Director of Finance	Public Training CFQ Preparatory Class	September 18, 2021, Online (Zoom Cloud Meeting)	Fidelitas Advisory
		Studio Generale Marketing, Technology, and Humanity	September 18, 2021, Online (Zoom Cloud Meeting)	PT Markplus Indonesia
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	Level 3 (Executive) Compliance Certification Workshop	September 23, 2021, Online (Zoom Cloud Meeting)	FKDKP (Forum Komunikasi Direktur Kepatuhan)

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 2021 there were no new Directors, so there was no orientation for new Directors.

Decision and Implementation of The Duties of The Board of Directors

During 2021, the Board of Directors has carried out its duties, obligations and responsibilities in order to manage the Company as stipulated in the applicable laws and regulations, the Company's Articles of Association and Work Plan. In general, the duties of the Board of Directors during 2021 are as follows:

1. Preparation of the Company's Bank Business Plan.
2. Implementation of IT strengthening projects and Digital Banking development.
3. Asset and financial management.
4. Organizing Board of Directors Meetings and Board of Directors Meetings with the Board of Commissioners.
5. Organizing the Annual General Meeting of Shareholders for Fiscal Year 2020.
6. Monitoring and improvement of internal business processes.
7. Implementation of Good Corporate Governance in every business activity.
8. Distribution of the Company's Corporate Social Responsibility funds which is manifested in various activities of Bank Jatim Peduli.
9. Implementation of other duties related to the management of the Company.

Decisions of the Board of Directors that have been issued during 2021, including::

1. Limit of Authorization for Purchase or Sale of Securities in the Treasury Division.
2. Limit Unrealized Hors Securities Available for Sorte AFS.
3. Dealer Authority Limit for transactions in the Treasury Division's Dealing Room.
4. Limit Stop (budget) Loss.
5. Risk Limit on Banking Book Interest Rate (Interest Rate Risk in the Banking Book/IRRBB).
6. Task Force implementation of improved management of user ID Core Banking System Project Charter.
7. Guidelines for the Implementation of Interest Plus Cycle Savings.
8. Standard Operating Procedures for Savings Cycle Interest Plus.
9. Establishment of the Annual GMS implementation committee.
10. Guidelines for implementing corporate culture (Corporate Culture).
11. Guidelines for implementing work and business ethics behavior.
12. Guidelines for the implementation of anti-fraud strategies.
13. Changes in the guidelines for implementing the Credit Program Chapter X of the People's Business Credit.
14. ALCO decision.
15. Monitoring and Coaching related to Operational Implementation in Branches by the Operations Division.
16. Corporate Secretary Implementation Guidelines.
17. Sharia Business Unit Spin Off Team,
18. Changes in the Implementation Guidelines for Providing Financing Facilities to Employees and the Personal Loan Car Allowance Program (CAP).
19. Standard Operating Procedure for Term Loan Facility.
20. Employee Grade Conversion.
21. Formation of BI Fast Implementation Team.
22. Fourth amendment to the Board of Directors Work Manual.
23. Secretariat Implementation Guidelines.
24. Stimulus Standard Operating Procedure (SOP) for Debtors affected by Covid-19.
25. Provision of Stimulus for Reduction of Fines and Credit Interest for the Repayment of Non-Performing Loans and Extracommodity.
26. Standard Operating Procedure (SOP) for Credit Rescue and Settlement.
27. 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. Fiscal Year 2021.
28. Establishment of the Committee for the Procurement of Goods/Services PT BPD Jatim Tbk. for the 2021 Fiscal year.
29. Appointment and Appointment of the Committee for Examining the Results of the Procurement of Goods/Services PT BPD Jatim Tbk. for Fiscal Year 2021.
30. Guidelines for the Implementation of the Mechanism of Appointment and Use of Monthly Notary Services.
31. Changes to the Management Team and Updates to the Company's Manual.
32. Information Technology Strategic Plan (RSTI) 2020-2024.
33. PIC and User Unstructured Report Holders to OJK through the Official Manuscript and Archive Management System (SIPENA).
34. Board of Directors Committee.
35. Personnel Management Committee.
36. Standard Operating Procedure (SOP) for Cash Collateral Credit.
37. Multipurpose Credit Standard Operating Procedure (SOP).
38. Limit of Settlement Authority on Transactions.
39. Management of Bajamuda Bank Jatim.
40. Management of Sports and Arts Bank Jatim Club.
41. Information Technology (IT) Committee.
42. Changes in Credit/Financing Approval Authority Limits (LKPK/P) Cash and Non-Cash.
43. Limit of Credit/Financing Approval (LKPK/P) Cash and Non-Cash.
44. Implementation Limit on The Spot (OTS) in the Credit/Financing Process.
45. Determination of Calculation and Procedure for Distribution of Tantiem for the 2020 Financial Year.
46. Determination of Calculations and Procedures for Distribution of Production Services for Fiscal Year 2020.
47. East Java Improvement Meeting (TIM) Program.
48. Fask Force Program Golden Shake Hand (GSH) Team.
49. Changes in the Credit Composition of PT BPD Jatim Tbk for the period 2021-2022.
50. Provision of Stimulus for Reduction of Fines and Credit Interest for the Repayment of Non-Performing Loans and Extracomptables.
51. Limit of Term Loan Facility (TLP) Approval Authority.
52. Management of Jatimas Bank Jatim.
53. JConnect as Bank Jatim Digital Banking Logo and Its Use.
54. Changes in the Decision of the Board of Directors of PT BPD Jatim Tbk. about the UUS Spin Off Team.
55. Establishment of the Organizing Committee for the 75th Independence Day of the Republic of Indonesia and the 60th Anniversary of PT BPD Jatim Tbk in 2021.
56. Development Team for Monitoring System of Foreign Exchange Transactions against Rupiah (SISMONTAVAR) Bank Jatim.
57. Appointment of Bank Jatim Employee Pension Fund Manager for Position 2021-2026.
58. Appointment of the Supervisory Board of the DPP Bank Jatim for the 2021-2026 position.
59. Changes to the Guidelines for the Implementation of the Reward and Punishment System.
60. Changes in the guidelines for the Grading and Remuneration System No.059/173/DIR/HCP/KEP dated 01 July 2020.
61. Establishment of the Financial Report Preparation Team and Annual Report of PT BPD Jatim Tbk 2021.
62. Establishment of the Jatimers Launching Organizing Committee.
63. Social media.
64. Human Capital Development Blueprint.

65. Person In Change (PIC) Agreement for Reporting and Development of Integrated Commercial Bank Report Data.
66. Changes in the Composition of the PT Bank Regional Development East Java Committee for the 2021-2022 Period.
67. Standard Operating Procedure (SOP) Evaluation of Organizational Structure.
68. Formation of a Digital-Based Investment Application Development Team.
69. Guidelines for Closing the Fiscal Year and Preparation of Annual Financial Reports.
70. Assessor Team at the Assessment Center.
71. Sustainable Finance Action Plan Team.
72. Jatimers as the Identity of Bank Jatim personnel.
73. Computer Security Incident Response Team (CSIRT).
74. Assessment Team for the Selection of Old Age Dwiguna Insurance Institutions.
75. Employee Condolences.

Performance Assessment of Committees Under The Board of Directors, Corporate Secretary, Internal Audit Unit, Risk Management Unit and The Basis of The Assessment

Provisions regarding the Board of Directors Committee of Bank Jatim are stipulated based on the Decree of the Board of Directors Number 060/93/DIR/CSE/KEP Date 16 March 2021 concerning the Board of Directors Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. In accordance with the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Number 058/158/DIR/PRS/KEP Date 17 June 2019 concerning the Organizational Structure and Work Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk, the Committee for the Board of Directors of Bank Jatim in 2021 is as follows:

1. Asset Liability Committee (ALCO)
 2. Risk Management Committee
 3. Personnel Management Committee
 4. Information Technology Steering Committee (ITSC)
 5. Credit Committee
 - a. Credit Implementation Committee
 - b. Credit Rescue Committee
 - c. Credit Settlement Committee
 - d. Credit Book Clearing Committee
 - e. Credit Line Committee
 - f. Term Loan Facility Committee
 - g. Financing Implementation Committee
 - h. Financing Rescue Committee
 - i. Financing Settlement Committee
 - j. Committee Delete Financing Book
 6. Credit Policy Committee
 7. Product, Network and Procedure Committee:
 - a) Product Sector PJP Committee
 - b) PJP Committee for Networking
 - c) PJP Committee for Procedure
 8. Integrated Risk Management Committee
- Specifically, the Integrated Risk Management Committee cannot be implemented based on the Financial Services Authority Letter number S-149/KR.04/2020 Date 29 December 2020 concerning the Classification of the Bank Jatim Financial Conglomerate.

The Board of Directors' evaluation procedure on the performance of the Board of Directors Committee is carried out in the following manner:

1. Each Secretary of the Board of Directors Committee shall prepare the implementation materials and technical implementation of each Committee of the Board of Directors during the 2021 financial year.
2. The Board of Directors' assessment of the performance of the Board of Directors Committee is carried out through the Board of Directors Meeting.

The criteria used in the Board of Directors' assessment of the performance of the Board of Directors Committee include:

1. Basis of Committee Formation
2. Committee Structure and Membership
3. Duties, Authorities and Responsibilities of the Committee
4. Committee Implementation Achievements
5. Conclusion

During 2021, the Board of Directors considered that the committees under the Board of Directors had carried out their duties and responsibilities well.

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 2021, the ALCO held 12 (Twelve) 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 2021, the Risk Management Committee held 5 (five) meetings.

Personnel Management Committee

The Personnel Management Committee was formed in order to obtain optimal results in deciding critical matters in the field of Human Capital in terms of strategies, policies, and Human Capital management systems that are in line with the Bank's Business Plan. During 2021, the ALCO committee held 11 (eleven) 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 2021, the ALCO committee held 1 (one) meeting.

Credit Committee

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

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 2021, 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 2021, the Product Sector PJP committee has held 2 (two) 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 subbranches 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 2021, the Network Sector PJP Committee held 7(Seven) 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 2021, the PJP Committee for Procedures held 26 (twenty six) meetings.

In addition to evaluating the performance of the Committees under the Board of Directors, the Board of Directors also conducts performance assessments of all units under the Board of Directors. Performance appraisals for the Corporate Secretary, Internal Audit and Risk Management Division are carried out based on the achievement of the Key Performance Indicators (KPI) of each unit. In 2021, the achievement of the KPIs for the Corporate Secretary, Internal Audit and Risk Management Division received the title Meet Expectation or Good.

Mechanism of Self Resignation and Termination of The Board of Directors

The mechanism for resignation and dismissal of the Board of Directors includes:

1. A member of the Board of Directors may submit an application to resign from his position by notifying in writing of his intentions to the 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 2021 the Secretariat of the Board of Commissioners has carried out the following task:

1. Prepare meeting materials, compile minutes of meetings, and administer the Board of Commissioners Meetings in an orderly manner, Meetings of committees under the Board of Commissioners, and Meetings of the Board of Commissioners inviting the Directors.
2. Provide input and information to the Board of Commissioners on matters of concern to the Board of Commissioners, including, among others, the policies and strategies of the Board of Directors in achieving the Bank's Business Plan.
3. Cooperate with the Committees under the Board of Commissioners in fulfilling the obligations of the Board of Commissioners, including reports from the Board of Commissioners to the Regulator.
4. Coordinate the drafting of the Board of Commissioners' Annual Work Plan and Budget and monitor the progress of implementing the work plan on time.
5. Coordinate the implementation of Work Visits for the Board of Commissioners and Committees under the Board of Commissioners, including administering the Visit Report.
6. Administer the correspondence of the Board of Commissioners and committees under the Board of Commissioners, including drafting the approval of the Board of Commissioners on matters proposed by the Board of Directors to seek approval from the Board of Commissioners
7. Coordinate the participation of the Board of Commissioners and committees under the Board of Commissioners in training/seminars/other competency development activities in accordance with the respective areas of supervision of each Commissioner/Committee.
8. Facilitate the implementation of the duties of the Board of Commissioners and committees related to the nomination process for the nomination of Bank Supervisory Candidates.
9. Carry out other duties to support the smoothness of the supervisory and advisory duties carried out by the Board of Commissioners.

Audit Committee

Basic Establishment of The Audit Committee

The establishment of the Audit Committee is based on the following rules:

1. POJK No. 55/POJK.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.
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 Charter

The Audit Committee has a Work Manual which is regulated in the Charter/Implementation Guidelines for the Board of Commissioners Committee Number 060/002/DK/Kep Date January 15, 2021, which regulates about:

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.

Term of Office of the Audit Committee

The term of office of the Audit Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-elected only for the next 1 (one) period.

Structure, Membership, and Expertise of The Audit Committee

The structure, membership and expertise of the Audit Committee can be seen in the table below.

Structure, Membership and Expertise of the Audit Committee Period 01 January 2021 – 03 May 2021

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. Periode 2019-2022	Economy	Independent Commissioner
Candra Fajri Ananda	Member		Economy	Independent Commissioner
Muhammad Mas'ud	Member		Economy	Independent Commissioner
Akhmad Djauhari	Member		Economy	Independent Party

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Structure, Membership and Expertise of the Audit Committee Period 11 June 2021 – 04 October 2021

Name	Position	Determination Decree	Expertise	Information
Candra Fajri Ananda	Chairman concurrently member	Decree of the Board of Directors Number 060/143/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk Period 2021 - 2022	Economy	Independent Commissioner
Muhammad Mas'ud	Member		Economy	Independent Commissioner
Akhmad Djauhari	Member		Economy	Independent Party

Structure, Membership and Expertise of the Audit Committee Period 04 October 2021 – 31 December 2021

Name	Position	Determination Decree	Expertise	Information
Candra Fajri Ananda	Chairman concurrently member	Decree of the Board of Directors Number 060/270/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk Period 2021 - 2022	Economy	Independent Commissioner
Muhammad Mas'ud	Member		Economy	Independent Commissioner
Akhmad Djauhari	Member		Economy	Independent Party
Ellen Theresia Sihotang	Member		Economy	Independent Party

Profile of Audit Committee

The profile of the Audit Committee as of December 31st, 2021, is as follows.

Candra Fajri Ananda

Chairman concurrently 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

Citizenship	Indonesia
Place and Date of Birth/Age	Mojokerto, 16 April 1961/60 years
Domisili	Surabaya
Educational background	<ul style="list-style-type: none"> • Bachelor of Economics & Development Studies, Wijaya Putra University, Surabaya, 1995 • Master of Management STIE Artha Bodhi Iswara, Surabaya in 2002.
Certification	<ol style="list-style-type: none"> 1. Professional Internal Auditor (PIA) - Association of Internal Auditors (AAI) 2. Risk Management Certification Level 3 - Risk Management Certification Body (BSMR) 3. Risk Management Certification Level 2 - Risk Management Certification Body (BSMR) 4. Risk Management Certification Level 1 - Risk Management Certification Body (BSMR)
Job History	<ul style="list-style-type: none"> • 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– 2022 GMS closing
Basic Appointment and Position Period	SK Number 058/339/DIR/HCP/KEP
Term of Office	Period 2019-2022
Concurrent Positions	None



Ellen Theresia Sihotang

Member of Audit Committee

Citizenship	Indonesia
Place and Date of Birth/Age	Banjarmasin, April 11, 1980/41 years
Domisili	Surabaya
Educational background	<ul style="list-style-type: none"> Bachelor of Accounting, Mulawarman University in 2003 Accounting Profession Program (PPAK) Universitas Airlangga in 2005 Earned a Masters in Management/Marketing from Gadjah Mada University in 2014.
Certification	<ol style="list-style-type: none"> Risk Management Certification Level 2 - Banking Professional Certification Agency (LSPP) Risk Management Certification Level 1 - Banking Professional Certification Agency (LSPP) Charter of the State Register of Accountants (RNA) No 19050 Accounting Professional Education Certification (PPAK) Chartered Accountant (CA) 19583 - IAI
Job History	<ul style="list-style-type: none"> Lecturer at Univ Hayam Wuruk at STIE Perbanas Surabaya (2015 to present) Trainer Internal Control PT Bank Mega, Tbk (2007-2011) Junior Internal Control PT Bank Mega, Tbk (2007-2011) Internal Auditor PT Centratama Nasional Bank (Shinhan Bank) (2005-2007)
Basic Appointment and Position Period	Decree No. 060/270/DIR/HCP/KEP
Term of Office	Period 2021 – 2022
Concurrent Positions	None

Qualification of Education and Experience of Audit Committee

Table of Audit Committee Education Qualification and Work Experience

Name	Position	Period	Education	Work Experience
Rudi Purwono*	Chairman concurrently member	January – May 2021	Bachelor in Economics and Development Studies Master (MSE) in Monetary Economics Doctorate (Dr) in Monetary Economics	Having work experience, among others, in finance, research, economics and banking supervision
Candra Fajri Ananda	Member	January – May 2021	Bachelor in Economics and Development Studies Master Degree (MSc.) in Rural Development Doctor Degree (DR) in Rural Development	Having work experience, among others, in finance, research, international relations, economics and banking supervision
	Chairman concurrently member	May – December 2021		
Muhammad Mas'ud	Member	January – May 2021	Bachelor in Public Administration Ilmu Master in Management Doctor (Ph.D) in School of Political and International Studies	Having work experience, among others in the fields of finance, political science and economics

Name	Position	Period	Education	Work Experience
Akhmad Djauhari	Member	January – May 2021	Bachelor in Economics & Development Studies Master in Management	Having work experience, among others in the banking sector
Ellen Theresia Sihotang	Member	October – December 2021	Bachelor in Economics & Development Studies Master in Management	Having work experience, among others, in banking, marketing, finance and behavioral research

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Independence of The Audit Committee

Table of Independence of the Audit Committee

Independence Aspect	Rudi Purwono*	Muhammad Mas'ud	Candra Fajri Ananda	Akhmad Djauhari	Ellen Theresia Sihotang
Has no financial relationship with the Board of Commissioners and the Board of Directors	√	√	√	√	√
Does not have a management relationship in the company, subsidiary, or affiliated company	√	√	√	√	√
Does not have a share ownership relationship in the company	√	√	√	√	√
Does not have a family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Audit Committee	√	√	√	√	√
Do not serve as administrators of political parties, officials and government	√	√	√	√	√

Audit Committees Meeting

Audit Committee Meeting Policy

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 2021, the implementation date, Meeting Agenda and Meeting Participants of the Audit Committee are as follows.

Table of Meeting Agenda of the Audit Committee

No	Meeting Date	Meeting Agenda	Meeting Participants
1	January 26, 2021	Evaluation of the 2021 Audit Plan Internal Audit Division	- Muhammad Mas'ud - Candra Fajri Ananda - Akhmad Djauhari - Syafrudin
2.	January 29, 2021	Proposed Replacement of the Internal Audit Division Leader, in accordance with POJK No.1/POJK.03/2019, Date 28 January 2019, concerning the Implementation of the Internal Audit Function in General Body	- Muhammad Mas'ud - Candra Fajri Ananda - Akhmad Djauhari - Syafrudin
3	February 16, 2021	Discussion on the application for an extension of the period of audit of the financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk ending on 31 December 2020 by KAP RSM	- Rudi Purwono - Muhammad Mas'ud - Candra Fajri Ananda - Akhmad Djauhari - Syafrudin
4	March 25, 2021	Evaluation of the progress of the Bank Jatim Audit on Annual Historical Financial Information, Fiscal Year 2020 by KAP Amir Abadi Jusuf, Aryanto, Mawar & Relan (RSM)	- Rudi Purwono - Muhammad Mas'ud - Candra Fajri Ananda - Akhmad Djauhari

No	Meeting Date	Meeting Agenda	Meeting Participants
5	June 02, 2021	Coordination with the Head Office Division, regarding the Evaluation of the Internal Control System in the Credit Sector	- Candra Fajri Ananda - Muhammad Mas'ud - Akhmad Djauhari - Syafrudin
6	June 16, 2021	Evaluation of the Implementation of the Provision of Audit Services for Financial Statements for Financial Year 2020 by KAP Amir Abadi Jusuf, Aryanto, Mawar & Partners (RSM)	- Candra Fajri Ananda - Muhammad Mas'ud - Akhmad Djauhari - Syafrudin
7	August 12, 2021	Follow-up Monitoring of the Second Quarter 2021 Audit Findings and Punishment of Fraud Perpetrators	- Candra Fajri Ananda - Muhammad Mas'ud - Akhmad Djauhari - Syafrudin
8	September 02 2021	Pre-Appointment of KAP for the Audit of the Financial Statements of PT Bank Pembangunan Jawa Timur Tbk ending on 31 December 2021 including the Advanced Sharia Business Unit	- Candra Fajri Ananda - Muhammad Mas'ud - Akhmad Djauhari - Syafrudin
9	September 09, 2021	Follow-up Meeting-1 Appointment of KAP to Audit the Financial Statements of PT Bank Pembangunan Jawa Timur Tbk ending on 31 December 2021 including the Advanced Sharia Business Unit	- Candra Fajri Ananda - Muhammad Mas'ud - Akhmad Djauhari - Syafrudin
10	October 01, 2021	Follow-up Meeting-2 Appointment of KAP to Audit the Financial Statements of PT Bank Pembangunan Jawa Timur Tbk ending on 31 December 2021 including the Advanced Sharia Business Unit	- Candra Fajri Ananda - Muhammad Mas'ud - Akhmad Djauhari - Syafrudin
11	October 05, 2021	Follow-up Meeting-3 Appointment of KAP to Audit the Financial Statements of PT Bank Pembangunan Jawa Timur Tbk ending on 31 December 2021 including the Sharia Business Unit	- Candra Fajri Ananda - Muhammad Mas'ud - Akhmad Djauhari - Ellen Theresia Sihotang - Syafrudin - Sulam Andjar Rochim
12	November 05, 2021	Competition Meeting for Appointment of Public Accounting Firms (KAP) or Beauty Contest for the implementation of the Financial Statement Audit of PT Bank Pembangunan Jawa Timur Tbk for the 2021 financial year including the Sharia Business Unit	- Candra Fajri Ananda - Akhmad Djauhari - Ellen Theresia Sihotang
13	December 10, 2021	Evaluation of Internal Control System Implementation from Internal & External Audit Results Reports.	- Candra Fajri Ananda - Akhmad Djauhari - Ellen Theresia Sihotang - Syafrudin - Sulam Andjar Rochim

Frequency and Attendance of Audit Committee Meetings

During 2021, the Audit Committee has held 13 (thirteen) 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	Period	Audit Committee Meeting		
			Number and Attendance Percentage		
			Number of Meetings	Number of Attendance	Percentage
Rudi Purwono*	Chairman concurrently Member of the Audit Committee	January – May 2021	4	2	50%
Candra Fajri Ananda	Member	January – May 2021	13	13	100%
	Chairman concurrently member	May – December 2021			
Muhammad Mas'ud	Member	January – December 2021	13	11	85%
Akhmad Djauhari	Member	January – December 2021	13	13	100%
Ellen Theresia Sihotang	Member	October – December 2021	3	3	100%

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Audit Committee Earnings

No	Description	Non-Commissioner Member
1	Salary / Honorarium	Receive an honorarium of 14% of the President Director's Salary
2	Post-Position Compensation	Not Given
3	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4	Bonus/Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5	Facility :	
	Transportation Allowance	Not Given
	Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
	Official travel	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank

Training and/or Competency Improvement of The Audit Committee In 2021

Name	Position	Periode	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Rudi Purwono*	Chairman concurrently member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Candra Fajri Ananda	Member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
	Chairman concurrently member	May – December 2021			
Muhammad Mas'ud	Member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Akhmad Djauhari	Member	January – May 2021	Adapting and Sustaining The Indonesian Financial Services Sector In The Era of Digital Transformation and Industry 4.0	Zoom Webinar, 05 August 2021	EfektifPro Knowledge Source
Ellen Theresia Sihotang	Member	October – December 2021	-	-	-

Achievements of Key Performance Indicator Audit Committee

The procedure for implementing the performance appraisal of the Audit Committee is determined and agreed upon with the Board of Commissioners in a meeting of the Board of Commissioners with the Committee.

The performance assessment of the Audit Committee is carried out by means of a self-assessment which is determined by considering its duties and obligations in accordance with the rules and work programs that have been determined.

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
1.	Passive Surveillance	Reviewing projected financial information and other reports related to financial information.	Held every quarter (4x a year)	Reviewing the projections of financial information and other reports related to financial information carried out in accordance with the provisions and on time according to the target	1	10	10
		Provide recommendations to the Board of Commissioners regarding the appointment of an Accountant based on independence, scope of assignment, and service fees	Implemented according to the provisions and on time according to the target.	Provide recommendations to the Board of Commissioners regarding the appointment of an Accountant based on independence, scope of assignment, and service fees carried out in accordance with the provisions	1	10	10

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
		Reviewing the implementation of the audit by the internal auditor and supervising the implementation of follow-up by the Board of Directors on the findings of the internal auditor	Implemented according to the provisions and on time according to the target. (2x a year).	Reviewing the implementation of the audit by the internal auditor and supervising the implementation of follow-up by the Board of Directors on the findings of the internal auditor carried out in accordance with the provisions and on time according to the target	1	10	10
		Evaluation of Annual Historical Financial General Audit Results from KAP (Public Accounting Firm)	Implemented according to the provisions and on time according to the target. (2x a year).	Implementation of the Evaluation of the Results of the Annual Historical Financial General Audit from KAP (Public Accounting Firm) in accordance with the provisions	1	10	10
		Evaluation/ czvs Follow-up General Audit Findings from Internal & External Parties	Held every quarter (4x a year)	Evaluation/Monitoring Follow-up General Audit Findings from Internal & External Parties in accordance with the provisions and on time	1	5	5
		Monitoring the implementation of GCG	Implemented according to the provisions and on time according to the target. (2x a year).	Monitoring the implementation of GCG is carried out in accordance with the provisions and on time according to the target	1	5	5
		Evaluation of the Audit Plan from the Internal Audit Division for Approval of the Implementation of the Audit Plan	Implemented according to the provisions and on time according to the target. (at least once a year).	Evaluation of the Audit Plan from the Internal Audit Division for Approval of the Implementation of the Audit Plan in accordance with the provisions	1	5	5
SUB TOTAL						55,00	55,00
2.	Active Surveillance	Audit Committee Meeting	Held every quarter (4x a year)	The implementation of the Audit Committee Meeting during 2021 was held 13 times	1	20	20
		Coordination Meeting with Related Divisions	Conducted at least 3 times a year	The implementation of the Audit Committee Meeting during 2021 was held 11 times	1	10	10
		Visits for monitoring the implementation of branch internal control	Conducted at least 3 times a year	The implementation of visits to branches in order to carry out the supervisory function in 2021 is carried out according to the target	1	10	10
SUB TOTAL						40,00	40,00
3	Competency Development	Competency improvement programs, attending education, training and seminars	Implemented according to the provisions and on time according to the target. (2x a year).	The implementation of the Workshop/seminar/Audit Committee in 2021 will only be carried out once	0,5	5	2,5
SUB TOTAL						5,00	2,50
TOTAL						100,00	97,50

Total Rating	Description
Score 80 – 100	Very good
Score 70 - < 80	Good
Score 55 - < 70	Pretty good
Score < 55	Poor

Brief Report of The Activities of The Audit Committee In 2021

The Audit Committee has carried out its duties and responsibilities properly as stipulated in the Audit Committee Charter and refers to POJK No. 55/POJK.04/2015, regarding the Establishment and Guidelines for the Implementation of the Audit Committee. The audit committee during the 2021 period has held a total of 13 (thirteen) meetings and carried out its duties including:

1. Implementation of follow-up reports on a number of fraudulent acts during 2021, and several matters that need approval from the Board of Commissioners, including the Business Plan Realization report (RBB), reports on the implementation of the audit function, review of the company's financial statements, reports on conflicts of interest, and reports internal audit results.
2. Preparation of recommendations and reports related to the approval of the audit plan from the Internal Audit Division, the appointment of a Public Accounting Firm (KAP), and changes to the audit audit plan as well as the Report on the Evaluation of the Implementation of the Provision of Audit Services on the annual historical financial information of PT Bank Pembangunan Daerah Jawa Timur Tbk, fiscal year 2021.
3. Establish communication and coordination with work units at all organizational levels of PT Bank Pembangunan Daerah Jawa Timur Tbk. One form of communication carried out is to invite related work units related to discussions to discuss current issues at PT Bank Pembangunan Daerah Jawa Timur Tbk.

Statement of The Audit Committee on The Effectiveness of SPI And Risk Management

The internal control system implemented by Bank Jatim is considered effective and adequate, as reflected in the effectiveness of the implementation of internal control functions, including internal audit, risk management, compliance, financial and operational control functions.

Remuneration and Nomination Committee

Basic Formation of The Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee are based on the following regulations:

1. POJK No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.
2. POJK 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 060/002/DK/Kep Date 15 January 2021, which regulates about :

1. Roles and Functions
2. Responsibilities
3. Authority

4. Membership Structure, Position and Period of Position
5. Work procedures
6. Holding meetings
7. Reporting

Duties and Responsibilities of The Remuneration and Nomination Committee

1. Related to Nomination function
 - a. Provide recommendations to the Board of Commissioners regarding the structure, policies and amount of Remuneration for members of the Board of Directors and/ or members of the Board of Commissioners.
 - b. Assist the Board of Commissioners in evaluating performance in accordance with the remuneration received by each member of the Board of Directors and/ or members of the Board of Commissioners.
 - c. In carrying out the remuneration function as referred to in point "a" above, the Remuneration and Nomination Committee must perform the procedure:
 - Develop a Remuneration structure for members of the Board of Directors and/or members of the Board of Commissioners in the form of salaries, honorarium, incentives, permanent and/or variable visits.
 - Formulate policies on Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
 - Arrange the amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
 - d. The preparation of the structure, policy and amount of Remuneration must pay attention to
 - Remuneration applicable to the industry in accordance with business activities and similar business scales in its industry (peer groups).
 - The duties, responsibilities and authority of members of the Board of Directors and/or members of the Board of Commissioners are related to the achievement of the objectives and performance of the bank.
 - Performance targets or the performance of each member of the Board of Directors and/or members of the Board of Commissioners.
 - A balance of benefits between those that are permanent and variable.
 - e. Assist the Board of Commissioners in providing recommendations on payroll/wage systems, provision of benefits and facilities for employees.
 - f. Assist the Board of Commissioners in providing recommendations on compensation systems and other benefits for employees.
 - g. Assist the Board of Commissioners in providing recommendations on payroll/wage systems, provision of benefits and facilities for employees
 - h. Assist the Board of Commissioners in providing recommendations on compensation systems and other benefits for employees.
2. Related to Remuneration function
 - a. Provide recommendations to the Board of Commissioners regarding the composition of the positions of members of the Board of Directors and/or members of the Board of Commissioners.

- b. Provide recommendations to the Board of Commissioners regarding the policies and criteria needed in the Nomination process.
- c. Provide recommendations to the Board of Commissioners regarding performance evaluation policies for members of the Board of Directors and/ or members of the Board of Commissioners.
- d. Assist the Board of Commissioners in evaluating the performance of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks that have been prepared as evaluation material.
- e. Provide recommendations to the Board of Commissioners regarding the capacity building program for members of the Board of Directors and/or members of the Board of Commissioners.
- f. Provide proposals for candidates who qualify as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
- g. Provide recommendations regarding Independent Parties who will become members of the Audit Committee and members of the Risk Monitoring Committee.
- h. Assist the Board of Commissioners in compiling and analyzing dismissal criteria for the Board of Commissioners and Directors.
- i. Assist the Board of Commissioners in monitoring the implementation and analysis of selection criteria and procedures for bank executive candidates.
- j. In carrying out the Nomination function, the Remuneration and Nomination Committee must carry out the following procedures:
- Compile the composition and process of nomination of members of the Board of Directors and/or members of the Board of Commissioners.
 - Formulate policies and criteria needed in the process of nominating candidates for members of the Board of Directors and/or members of the Board of Commissioners.
 - Assist in the evaluation of the performance of members of the Board of Directors and/or members of the Board of Commissioners.
 - Formulate a capacity building program for members of the Board of Directors and/or members of the Board of Commissioners.
 - Review and propose candidates who qualify as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.

Authority of Remuneration and Nomination Committee

The Board of Commissioners authorizes the Remuneration and Nomination Committee within the scope of responsibility for:

1. Obtaining various information needed for the implementation of the Nomination and Remuneration function from various parties, both internal and external to the bank.
2. Obtaining the advice or input needed in the context of the implementation of the Nomination and Remuneration function from both internal and external parties of the bank.

Term of Office of the Remuneration and Nomination Committee

The term of office of the Remuneration and Nomination Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-elected only for the next 1 (one) period.

Structure, Membership and Expertise of The Remuneration and Nomination Committee

Structure, Membership and Expertise of the Remuneration and Nomination Committee Period 01 January 2021 – 03 May 2021

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 Committees 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
Revi Adiana S	Member		Ex-Officio Member (HC Division Leader)	Economic

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Structure, Membership and Expertise of the Remuneration and Nomination Committee for the Period June 2021 – December 2021

Name	Position	Determination Decree	Information	Expertise
Muhammad Mas'ud	Chairman concurrently member	Decree of the Board of Directors Number 060/143/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk Period 2021 - 2022	Independent Commissioner	Economic
Candra Fajri Ananda	Member		Independent Commissioner	Economic
Heru Tjahjono	Member		President Commissioner	Economic
Revi Adiana S	Member		Ex-Officio Member (HC Division Leader)	Economic

Profile of The Remuneration and Nomination Committee

The profile of the Remuneration and Nomination Committee as of December 31, 2021 is as follows

Muhammad Mas'ud

Chairman concurrently Member of Remuneration and Nomination Committee

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.

Candra Fajri Ananda

Member of Remuneration and Nomination Committee

His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.

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.



Revi Adiana S.

Member of Remuneration and Nomination Committee

Citizenship

Warga Negara Indonesia

Place and Date of Birth/Age

Lahir di Solo pada tahun 1966. Usia 55 tahun per 2021.

Domicile

Surabaya

Educational background

- Bachelor of Economics from Wijaya Putra University (1996).
- Master in Management Program Universitas Airlangga (Bank Jatim Scholarship) (1998).
- Financial Budgeting Short Course Program di Australia National University (2002)

Certification

- Risk Management Certification Level 5
- Pension Fund General Management Certification
- Level 3 (Advance) Treasury Dealer Certification

Job History

Joined Bank Jatim in 1985. Prior to his current position, he served as Head of Cab Operations. DR. Soetomo (2001), Head of Cab. Silver (2003), Cab Leader. Bojonegoro (2006), Leader of Cab. Kediri (2009), Leader of Cab. Malang (2011), Head of Corporate Secretary (2012), Head of Service Funds and Foreign Affairs Division (2013), Head of Treasury Division (2015), Head of Strategic Planning and Performance Management Division (2018).

Basic Appointment and Position Period

Since February 2021, he has served as the Head of the Human Capital Division based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP Date 15 February 2021.

Term of Office

February 15, 2021 – present

Concurrent Positions

None

Qualification of Educational and Work Experience of The Remuneration and Nomination Committee

Table of Qualification of Educational and Work Experience of The Remuneration and Nomination Committee

Name	Position	Period	Education	Work Experience
Candra Fajri Ananda	Chairman concurrently member	January – May 2021	<ul style="list-style-type: none"> – Bachelor in Economics and Development Studies – Master Degree (MSc.) in Rural Development – Doctor Degree (DR) in Rural Development 	Having work experience, among others, in finance, research, international relations, economics and banking supervision
	Member	May –December 2021		

Name	Position	Period	Education	Work Experience
Rudi Purwono*	Member	January – May 2021	– Bachelor in Economics and Development Studies – Master (MSE) in Monetary Economics – Doctorate (Dr) in Monetary Economics	Having work experience, among others, in finance, research, economics and banking supervision
Akhmad Sukardi*	Member	January – May 2021	– Bachelor in Accounting – Master in Management – Doctorate in Administrative Science	Have work experience in the fields of finance, political science, economics and banking supervision, among others
Muhammad Mas'ud	Member	January – May 2021	– Bachelor in Public Administration Ilmu – Master in Management – Doctor (Ph.D) in School of Political and International Studies	Having work experience, among others in the fields of finance, political science and economics
	Chairman concurrently member	May – December 2021		
Heru Tjahjono	Member	January – December 2021	– Bachelor in Civil Engineering – Master in Management – Environmental and Development Studies	Have work experience in the government sector.
Budi Setiawan*	Member	January – May 2021	– Bachelor in Socio-Economic Sciences – Master in Technology Management – Doctorate (Dr) in Economics	Have work experience in the government sector.
Revi Adiana Silawati	Ex-officio member	January – May 2021	– Bachelor in Management Science – Master in Technology Management – Financial Budgeting Short Course Program	Having work experience, among others in banking and Human Resources

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

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*	Muhammad Mas'ud	Budi Setiawan*	Heru Tjahjono	Revi Adiana S
Has no financial relationship with the Board of Commissioners and the Board of Directors	√	√	√	√	√	√	√
Does not have a management relationship in the company, subsidiary, or affiliated company	√	√	√	√	√	√	√
Does not have a share ownership relationship in the company	√	√	√	√	√	√	√
Does not have a family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Nomination and Remuneration Committee	√	√	√	√	√	√	√
Do not serve as administrators of political parties, officials and government	√	√	√	√	√	√	√

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Meeting of The Nomination and Remuneration Committee

Nomination and Remuneration Committee Meeting Policy

Remuneration and Nomination Committee meetings are held periodically at least 1 (one) time in 4 (four) months. Remuneration and Nomination Committee meetings can only be held if presented by a majority of the total members of the Remuneration and Nomination Committee and one of the majority of the members of the Remuneration and Nomination Committee is the Chairman of the Remuneration and Nomination Committee.

Meeting Agenda of The Nomination and Remuneration Committee

Table of Agenda for the Remuneration and Nomination Committee Meeting

No.	Date of Meeting	Meeting Agenda	Meeting Participants
1	January 29, 2021	- Discussion on Self-Assessment Assessment of the performance of the Board of Commissioners in 2020	Candra Fajri Ananda, Ahmad Sukardi, Muhammad Mas'ud, Budi Setiawan
2	April 15, 2021	- Discussion on BPP Remuneration - Discussion of BPP Official Travel Management - Discussion of Post-Position Insurance Former Bank Jatim Management - Discussion of Internal Rules Related to the Selection System and Procedure for the Replacement of Members of the Board of Commissioners and Members of the Board of Directors	Akhmad Sukardi, Muhammad Mas'ud, Candra Fajri A, Budi Setiawan, Rudi Purwono, Ferdian Timur S, Erdianto Sigit C, Revi Adiana S, Fenty Rischana
3	May 10, 2021	- Finalization of BPP Remuneration for Management - Finalization of BPP Discussion on Official Travel Management - Finalization of BPP Discussion System and Procedure for Selection and/or Replacement of Members of the Board of Commissioners and Members of the Board of Directors - Time Table Planned Selection of Bank Jatim Management	Candra Fajri Ananda, Muhammad Mas'ud, Revi Adiana S
4	June 22, 2021	- Discussion of Follow-up Preparation for Selection of Commissioners and Directors of Bank Jatim (SOP for Selection/Replacement of Commissioners and Directors) - Proposed Selection Committee Honorarium (External/Independent Party)	Muhammad Mas'ud, Candra Fajri A, Tonny Prasetyo, Umi Rodyah, Revi Adiana S
5	July 11, 2021	- Coordination of the Remuneration & Nomination Committee with the Selection Committee Regarding the Registration Process for Candidates for Members of the Board of Directors of Bank Jatim	Muhammad Nuh, Rudi Purwono, Muhammad Mas'ud, Candra Fajri A,
6	July 19, 2021	- Coordination of the Remuneration and Nomination Committee with the Selection Committee Regarding the Registration Process for Candidates for Members of the Commissioners and Directors of Bank Jatim	Muhammad Nuh, Heru Tjahjono, Rudi Purwono, Muhammad Mas'ud, Candra Fajri A
7	July 24, 2021	- Coordination of the Remuneration and Nomination Committee with the Selection Committee Regarding the Administrative Selection of the Registration of Candidates for Members of the Commissioners and Directors of Bank Jatim	Muhammad Nuh, Heru Tjahjono, Rudi Purwono, Muhammad Mas'ud, Candra Fajri A
8	August 12, 2021	- Discussion related to KPI of Commissioners and Committees for Semester I/2021 - Follow-up to OJK Letter Number S-73/KR.041/2021 Date 29 July 2021, especially regarding HR management by the Human Capital Division - Discussion Letter from HC Division No. 060/308/HCO/OHC/Memo dated 30 July 2021 concerning Independent Commissioner Cash Share Bonus Report	Muhammad Mas'ud, Candra Fajri A, Safruddin, Akhmad Djauari, Revi Adiana S,
9	October 19, 2021	- Roadmap, Deployment and Optimization of Human Resources of Bank Jatim - Optimization of Bank Jatim Learning Center Prigen - Etc	Muhammad Mas'ud, Candra Fajri A, Heru Tjahjono, Revi Adiana S,
10	November 25, 2021	- Follow up on the results of the meeting of the Board of Commissioners with committee members Date 19 October 2021 regarding Remuneration for Committee Members & Jobgrade Group Secretariat of the Board of Commissioners	Muhammad Mas'ud, Candra Fajri A, Safruddin, Sulam Andjar, Ellen Theresia, Perwakilan Divisi HC
11	December 06, 2021	- Follow-up to the Remuneration and Nomination Committee Meeting Date 25 November 2021 regarding the Remuneration of the Committee Members of the Board of Commissioners (Independent Party) - Discussion regarding Remuneration & Nomination Committee Membership	Muhammad Mas'ud, Candra Fajri A, Revi Adiana S
12	December 16, 2021	- Discussion on Additional 2021 Performance Bonus Income	Muhammad Mas'ud, Candra Fajri A, Revi Adiana

Frequency and Attendance Level of Meeting of Nomination and Remuneration Committee

Table of Attendance Level of Remuneration and Nomination Committee Meetings

Name	Position	Period	Remuneration and Nomination Committee Meeting		
			Attendance Number and Percentage		
			Number of Meetings	Number of Attendance	Percentage
Candra Fajri Ananda	Chairman concurrently member	January – May 2021	3	3	100%
	Member	May – December 2021	9	9	100%
Rudi Purwono*	Member	January – May 2021	3	1	33,3%
Akhmad Sukardi*	Member	January – May 2021	3	2	66,7%
Muhammad Mas'ud	Member	January – May 2021	3	3	100%
	Chairman concurrently member	May – December 2021	9	9	100%
Heru Tjahjono	Member	January – December 2021	12	3	25%
Budi Setiawan*	Member	January – May 2021	3	2	66,7%
Revi Adiana S	Member	January – December 2021	12	7	58,3%

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Remuneration and Nomination Committee Competence Improvement Program

Name	Position	Period	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Candra Fajri Ananda	Chairman concurrently member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
	Member	May – December 2021			
Rudi Purwono*	Member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Akhmad Sukardi*	Member	January – May 2021			
Muhammad Mas'ud	Member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
	Chairman concurrently member	May – December 2021			
Heru Tjahjono	Member	January – December 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Budi Setiawan*	Member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Revi Adiana S	Member	January – December 2021	Pelatihan Manajemen Umum Dana Pensiun (MUDP)	16 - 17 March 2021, Surabaya	Asosiasi Dana Pensiun Indonesia (ADPI)
			Ujian Sertifikasi Manajemen Risiko Dana Pensiun (MUDP)	18 March 2021, Surabaya	LSPDP (Lembaga Sertifikasi Profesi Dana Pensiun)
			Individual Executive Program	4 - 5 June 2021, Jakarta	LPPI (Lembaga Pengembangan Perbankan Indonesia)
			Pelatihan Wawancara Berbasis Kompetensi	14 - 15 August 2021, Surabaya	PT Maxima Mitra Pengembangan
			Studium Generale Marketing, Technology, And Humanity	18 September 2021, Surabaya	PT. Markplus Indonesia

*Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Remuneration and Nomination Committee Income

No	Description	Non-Commissioner Member
1	Salary / Honorarium	Receive an honorarium of 14% of the Uama Director's Salary
2	Post-Position Compensation	Not Given
3	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4	Bonus/Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5	Facility :	
	Transportation Allowance	Not Given
	Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
	Official travel	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank

Achievements of Key Performance Indicator Remuneration and Nomination Committee

The procedure for implementing the performance appraisal of the Remuneration and Nomination Committee is determined and agreed upon with the Board of Commissioners in the Board of Commissioners' Meeting with the Committee. The performance appraisal of the Remuneration and Nomination Committee is carried out by means of a self-assessment which is determined by considering its duties and obligations in accordance with the rules and work programs that have been determined.

No	Aspect	Indicator	Target	Realization	Score	Value(%)	Final score
1.	Passive Surveillance	Prepare the composition and process of Nomination for Bank Management (Board of Commissioners and Directors)	Prepare Time Table and carry out the nomination process for Bank Management according to the time needed	Implemented according to the set target	1	10	10
		Develop policies and criteria needed in the nomination process for prospective Bank Management (Board of Commissioners and Directors)	formulate policies and criteria for nomination of candidates for Bank Management according to the stipulated time	Implemented according to the set target	1	10	10
		Assist in the evaluation of the performance of the Company's Management	carry out performance evaluations of the Company's Management at least 2 times a year (every semester)	Implemented according to the set target	1	10	10
		Reviewing and proposing candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS	Carry out a review and provide proposals for candidates for the Company's Management who meet the requirements to the Board of Commissioners according to the time table set	Implemented according to the set target	1	10	10
		Develop structure and policies on the Company's Management Remuneration (Board of Commissioners and Directors)	Conducted at least 1 (one) time a year	Implemented according to the set target	1	10	10
		formulate the amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners	Conducted at least 1 (one) time a year	Implemented according to the set target	1	10	10
Sub Total						60	60

No	Aspect	Indicator	Target	Realization	Score	Value(%)	Final score
2.	Active Surveillance	Remuneration & Nomination Committee Meeting	Minimum 4 times in 1 (one) year	Implemented according to the set target	1	20	20
		Coordination Meeting with related parties	as needed (at least 2 times a year)	Implemented according to the set target	1	10	10
		Preparation and timely submission of Committee reports	submit reports on time in accordance with the provisions	Implemented according to the set target	1	10	10
Sub Total						40	40
Total						100	100

Total Rating	Description
Score 80 – 100	Very good
Score 70 - < 80	Good
Score 55 - < 70	Pretty good
Score < 55	Poor

Brief Report of The Activities of The Remuneration and Nomination Committee In 2021

In 2021 the Remuneration and Nomination Committee will carry out the nomination process for several vacant management positions, including for the position of candidates for the Board of Commissioners and the Board of Directors. The Remuneration and Nomination Committee conducts a selection process for the acceptance of candidates for Commissioners and Directors of Bank Jatim together with the Selection Committee which was formed through administrative selection to assessment with third parties (independent).

The Remuneration and Nomination Committee also provides recommendations/considerations to the Board of Commissioners in determining the third party to be appointed as the implementing agency for the assessment in the process of selecting candidates for members of the Commissioners and Directors of Bank Jatim. The Remuneration and Nomination Committee provides an assessment/evaluation of each candidate for the Board of Directors that has been agreed upon to be further recommended to the Board of Commissioners to be included in the fit and proper test by the Financial Services Authority.

In addition, in terms of remuneration activities, the Remuneration and Nomination Committee also reviews the Guidelines for the Implementation of Good Corporate Governance in the Provision of Remuneration for management and its facilities, which can then be stipulated in a decision letter from the Board of Commissioners. The Remuneration and Nomination Committee also held several coordination meetings related to the implementation of additional income during 2021.

Board of Directors' Success Policy

The succession policy for the Board of Directors has been presented in the Sub-Title of Nomination and Remuneration of the Board of Commissioners and Directors of the Corporate Governance Chapter of this Annual Report.

Risk Monitoring Committee

The Risk Monitoring Committee is tasked with assisting the implementation of the supervisory and coaching functions by the Board of Commissioners for executives (Directors and their staff) in the area of risk management implementation so that it can be carried out effectively, both regarding issues of risk management and the internal control system as well as anticipatory steps taken by the Board of Directors. in risk management.

Basic For The Establishment of The Risk Monitoring Committee

The establishment of the Risk Monitoring Committee is based on the following regulations:

1. 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 Guideline regulated in the Board of Commissioners Committee Charter/Guidelines Number 060/002/DK/Kep Date 15 January 2021, which regulates the:

1. Roles and Functions
2. Responsibilities
3. Authority
4. Membership Structure, Position and Period of Position
5. Work procedures
6. Holding meetings
7. Reporting

Duties and Responsibilities of The Risk Monitoring Committee

The Risk Monitoring Committee had duties in assisting the implementation of the supervisory and guidance functions by the Board of Commissioners towards the executives (the Board of Directors and their staff) in the area of risk management implementation so that it could be carried out effectively, both regarding risk management issues and the internal control system as well as anticipatory steps taken by the Board of Directors in risk management. As a recommendation to the Board of Commissioners in reviewing the risk management system and improving risk management policies, the detailed 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.
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.

Term of Office of the Risk Monitoring Committee

The term of office of the Risk Monitoring Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-elected only for the next 1 (one) period.

Structure, Membership, and Expertise of Risk Monitoring Committee

Table of Structure, Membership and Expertise of the Risk Monitoring Committee Period 01 January 2021 – 03 May 2021

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 Committees 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

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Structure, Membership and Expertise of the Risk Monitoring Committee Period 11 June 2021 – 04 October 2021

Name	Position	Determination Decree	Information	Expertise
Candra Fajri Ananda	Chairman concurrently member	Decree of the Board of Directors Number 060/143/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk Period 2021 - 2022	Independent Commissioner	Economic
Muhammad Mas'ud	Member		Independent Commissioner	Economic
Syafrudin	Member		Independent Party	Economic, Accounting

Risk Monitoring Committee Structure, Membership and Expertise Period 04 October 2021 – 31 December 2021

Name	Position	Determination Decree	Information	Expertise
Candra Fajri Ananda	Chairman concurrently member	Decree of the Board of Directors Number 060/270/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk Period 2021 - 2022	Independent Commissioner	Economic
Muhammad Mas'ud	Member		Independent Commissioner	Economic
Syafrudin	Member		Independent Party	Economic, Accounting
Sulam Andjar Rochim	Member		Independent Party	Economic

Profile of The Risk Monitoring Committee

The profile of the Risk Monitoring Committee as of December 31, 2021 is as follows.

Candra Fajri Ananda

Chairman concurrently Member of Risk Monitoring Committee
His profile can be seen in the Profile of the Board of Commissioners in this Annual Report..

Muhammad Mas'ud

Member of Risk Monitoring Committee
His profile can be seen in the Profile of the Board of Commissioners in this Annual Report..

**Syafruddin**

Member of Risk Monitoring Committee

Citizenship

Indonesia

Place and Date of Birth/Age

Surabaya, November 21, 1960/62 years old

Domicile

Surabaya

Educational background

- Bachelor of Economics in Accounting from Dr Soetomo University (1991)
- Master in Economic Management, Artha Bodhi Iswara University, Surabaya (2003)

Certification

1. Level 3 Risk Management Certification - Risk Management Certification Body (BSMR)
2. Risk Management Certification Level 2 - Risk Management Certification Body (BSMR)
3. Level 1 Risk Management Certification - Risk Management Certification Body (BSMR)
4. Level 1 Compliance Certification – Banking Compliance Director Communication Forum (FKDKP)

Job History

- Deputy Head of Situbondo Branch (2001 – 2004)
- Senior Auditor of Internal Audit Division (2004-2009)
- Head of Compliance Sub Division (2011-2014)
- Head of Audit Sub Division (2014)
- Head of Accounting Division (2015-2017)

Basic Appointment and Position Period

Decree of the Board of Directors Number 058/339/DIR/HCP/KEP

Term of Office

Year 2019 – closing of the AGM in 2022

Concurrent Positions

None



Sulam Andjar Rochim

Member of Risk Monitoring Committee

Citizenship	Indonesia
Place and Date of Birth/Age	Pasuruan, 03 October 1962/60 years
Domicile	Malang
Educational background	<ul style="list-style-type: none"> Universitas Brawijaya Malang Program Diploma Program Pendidikan Ahli Perusahaan (saat ini Program Vokasi Fakultas Ekonomi dan Bisnis) (1985) Universitas Gajayana Malang (1990) Pusat Pengembangan Manajemen dan Teknologi Terapan (PPMTT) Malang – Program Master Business in Administration (1992)
Certification	<ol style="list-style-type: none"> Certification of Basic Knowledge in Pension Fund Sector – Pension Fund Professional Certification Agency (LSPDP) Level 3 Risk Management Certification - Risk Management Certification Body (BSMR) Level 2 Risk Management Certification - Risk Management Certification Body (BSMR) Risk Management Certification Level 1 - Risk Management Certification Body (BSMR)
Job History	<ul style="list-style-type: none"> Branch Manager in Bangkalan (Jul 2010 Jul 2011) Branch Manager in Jakarta (Jul 2011 Jul 2012) Head of Asset Liability Management and Financial Institution Sub Division in Treasury Division (Jul 2012 - Mar 2015) Sub Division Leader in Strategic Planning Division (Mar 2015 May 2016) Acting Head of Strategic Planning Division (May 2016 - Mar 2017) Head of Internal Communication Sub Division at Corporate Secretary (Mar 2017 - Jan 2020) Head of the Anti-Money Laundering and Prevention of Terrorism Financing (APU-PPT) Sub-Division in the Compliance and Governance Division
Basic Appointment	Decree of the Board of Directors Number 060/270/DIR/HCP/KEP
Term of Office	2021 – closing of the AGM in 2022
Concurrent Positions	President Commissioner of BPRS Mojo Artho Mojokerto City (Perseroda)

Education Qualification and Work Experience of The Risk Monitoring Committee

Table of Education Qualification and Work Experience of the Risk Monitoring Committee

Name	Position	Period	Education	Work experience
Muhammad Mas'ud	Chairman concurrently member	January – May 2021	<ul style="list-style-type: none"> Bachelor in Public Administration Ilmu Master in Management Doctor (Ph.D) in School of Political and International Studies 	Having work experience, among others in the fields of finance, political science and economics
	Member	May – December 2021		

Name	Position	Period	Education	Work experience
Rudi Purwono*	Anggota Member (Decree of the Board of Directors Number 058/339/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk. Period 2019-2022)	January – May 2021	<ul style="list-style-type: none"> – Bachelor in Economics and Development Studies – Master (MSE) in Monetary Economics – Doctorate (Dr) in Monetary Economics 	Having work experience, among others, in finance, research, economics and banking supervision
Candra Fajri Ananda	Member	January – May 2021	<ul style="list-style-type: none"> – Bachelor in Economics and Development Studies – Master Degree (MSc.) in Rural Development – Doctor Degree (DR) in Rural Development 	Having work experience, among others, in finance, research, international relations, economics and banking supervision
	Chairman concurrently member	May – December 2021		
Syafruddin	Member	January – December 2021	<ul style="list-style-type: none"> – Bachelor in Accounting Economics – Master in Economic Management 	Having work experience, among others in the banking sector
Sulam Andjar Rochim	Member	October – December 2021	<ul style="list-style-type: none"> – Bachelor in Accounting Economics – Bachelor in Business Administration 	Having work experience, among others in the banking sector

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

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	Sulam Andjar Rochim
Has no financial relationship with the Board of Commissioners and the Board of Directors	√	√	√	√	√
Does not have a management relationship in the company, subsidiary, or affiliated company	√	√	√	√	√
Does not have a share ownership relationship in the company	√	√	√	√	√
Does not have a family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Risk Monitoring Committee	√	√	√	√	√
Do not serve as administrators of political parties, officials and government	√	√	√	√	√

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Risk Monitoring Committee Meeting

Risk Monitoring Committee Meeting Policy

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 2021, the implementation date, agenda and Meeting Participants of the Risk Monitoring Committee are as follows.

Table of Meeting Agenda of the Risk Monitoring Committee

No.	Meeting Date	Meeting Agenda	Meeting Participants
1	March 04, 2021	- Discussion on Performance Evaluation and Monitoring of Risk Management Implementation until September 2020	Muhammas Mas'ud Rudi Purwono Candra Fajri Ananda Syafurudin
2	June 02, 2021	Internal Control Structure for Credit Sector	Candra Fajri Ananda Muhammad Mas'ud Syafurudin Akhmas Djauhari
3	August 04, 2021	- Development of Fund Sources or DPK - Fund Usage Performance - Credit & NPL Placement & Profitability	Muhammad Mas'ud Candra Fajri Ananda Busrul Iman Ferdian Timus S Rizyana Mirda Safruddin Akhmad Djauhari
4	August 12, 2021	- Risk Profile (Credit & Operational Risk) - Credit Expansion Plan in order to improve credit performance, especially reducing NPL, increasing LDR and profitability level - Evaluation of SO Effectiveness on Credit Control Structure	Candra Fajri Ananda Muhammad Mas'ud Safruddin Akhmad Djauhari
5	September 02 2021	Discussion on the application for approval from the Board of Commissioners on Sharia Factoring Financing to related parties. PT. Head of Husada Wira Jatim	Candra Fajri Ananda Muhammad Mas'ud Safruddin Akhmad Djauhari
6	October 26, 2021	- The scope of discussion of the Quarter III Performance Evaluation & Risk Profile meeting includes: - Third Party Fund Raising Activities (TPF) (Strategic Risk and Liquidity Risk) - Credit and Financing Activities - Fund Placement Activities, - Ability (Profitability) (Strategic Risk, Credit Risk, Liquidity Risk and Operational Risk) - Strategy and Policy Directions	Candra Fajri Ananda Muhammad Mas'ud Safruddin Akhmad Djauhari Sulam Andjar R Ellen Theresia S
7	December 10, 2021	- Evaluation of the Implementation of the Tasks of the Risk Management Committee (KOMENKO) - Evaluation of the Implementation of the Tasks of the Risk Management Work Unit (SKMR)	Candra Fajri Ananda Erdianto Sigit C Safruddin Sulam Andjar R Akhmad Djauhari Ellen Theresia S

Frequency and Attendance Of Risk Monitoring Committee Meetings

During 2021, the Risk Monitoring Committee has held 7 (seven) meetings. The attendance rate of each member of the Risk Monitoring Committee is as follows.

Table of Attendance at Risk Monitoring Committee Meetings

Name	Position	Risk Monitoring Committee Meeting			
		Attendance Number and Percentage			
		Period	Number of Meetings	Number of Attendance	Percentage
Muhammad Mas'ud	Chairman concurrently member	January – May 2021	7	6	85.71%
	Member	May – December 2021			
Candra Fajri Ananda	Member	January – May 2021	7	7	100%
	Chairman concurrently member	May – December 2021			
Rudi Purwono*	Member	January – May 2021	1	1	100%
Syafurudin	Member	January – December 2021	7	7	100%
Sulam Andjar Rochim	Member	October – December 2021	2	2	100%

* Position period ends as of the Annual GMS for Financial Year 2020 Date 03 May 2021

Risk Monitoring Committee Competence Improvement Program

Name	Position	Period	Types of Training and Development Materials Competence/ Training	Time and place Implementation	Organizer
Muhammad Mas'ud	Chairman concurrently member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
	Member	May – December 2021			
Candra Fajri Ananda	Member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
	Chairman concurrently member	May – December 2021			
Rudi Purwono*	Member	January – May 2021	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Syafruddin	Member	January – December 2021	Adapting and Sustaining The Indonesian Financial Services Sector In The Era of Digital Transformation and Industry 4.0	Zoom Webinar, 05 August 2021	EffectivePro Knowledge Source
Sulam Andjar Rochim	Member	October – December 2021	-	-	-

Risk Monitoring Committee Income

No	Description	Non-Commissioner Member
1	Salary / Honorarium	Receive an honorarium of 14% of the President Director's Salary
2	Post-Position Compensation	Not Given
3	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4	Bonus/Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5	Facility:	
	Transportation Allowance	Not Given
	Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
	Official travel	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank

Achievements of Key Performance Indicator Risk Monitoring Committee

The procedure for implementing the performance appraisal of the Risk Monitoring Committee was determined and agreed upon with the Board of Commissioners in the Board of Commissioners' Meeting with the Committee. The performance assessment of the Risk Monitoring Committee was carried out by means of a determined self-assessment considering its duties and obligations in accordance with the rules and work programs that had been determined.

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
1.	Passive Surveillance	Evaluation of Conventional Bank Jatim Risk Profile	Held every quarter (4x a year)	Evaluation of the conventional Bank Jatim Risk Profile has been carried out by the Risk Monitoring Committee in accordance with the provisions	1	10	10
		Evaluation of Bank Jatim Sharia Unit Risk Profile	Held every quarter (4x a year)	Evaluation of the Bank Jatim Sharia Unit Risk Profile has been carried out in accordance with the provisions	1	5	5
		Evaluation of the conformity of risk management policies with the implementation of Bank policies; and	Held every quarter (4x a year)	Evaluation of the suitability of risk management policies with the implementation of Bank policies is carried out in accordance with the provisions	1	10	10
		Evaluation of SKMR work implementation / Company Risk Management Division	Implemented according to the provisions and on time according to the target. (at least once a year).	Evaluation of the work implementation of the SKMR/ Company Risk Management Division is carried out in accordance with the provisions and on time according to the target	1	5	5
		Evaluation of the work implementation of the Risk Management Committee (KOMENKO)	Implemented according to the provisions and on time according to the target. (at least once a year).	Evaluation of the work implementation of the Risk Management Committee (KOMENKO) is carried out in accordance with the provisions and on time according to the target	1	5	5
		Evaluation & Opinion on Large Exposure Loans and Board of Commissioners Approval on Related Party Loans	Implemented according to the provisions and on time according to the target. (2x a year).	Evaluation & Opinion on Large Exposure Loans and Board of Commissioners Approval on Related Party Loans are carried out in accordance with the provisions	1	5	5
		Monitor & evaluate the adequacy of the process of identification, measurement, monitoring and control of Risk Management	Implemented according to the provisions and on time according to the target. (2x a year).	Monitor & evaluate the adequacy of the process of identification, measurement, monitoring and control of Risk Management carried out in accordance with the provisions	1	10	10
SUB TOTAL						50,00	50,00
2.	Active Surveillance	Risk Monitoring Committee Meeting	Held every quarter (4x a year)	The implementation of the Risk Monitoring Committee Meeting during 2021 was held 7 times	1	20	20
		Coordination Meeting with Related Divisions	Conducted at least 3 times a year	The implementation of the Risk Monitoring Committee Meeting during 2021 was held 7 times	1	15	15
		Visits for monitoring the implementation of branch risk management.	Conducted at least 3 times a year	The implementation of visits to branches in order to carry out the supervisory function in 2021 is carried out according to the target	1	10	10
SUB TOTAL						45,00	45,00
3	Competency Development	Competency improvement programs, attending education, training and seminars	Implemented according to the provisions and on time according to the target. (2x a year).	The implementation of the Workshop/seminar/Risk Monitoring Committee in 2021 will only be carried out once	0,5	5	2,5
SUB TOTAL						5,00	2,50
TOTAL						100,00	97,50

Total Rating	Description
Score 80 – 100	Very good
Score 70 - < 80	Good
Score 55 - < 70	Pretty good
Score < 55	Poor

Brief Report of The Activities of The Risk Monitoring Committee In 2021

The Risk Monitoring Committee has carried out its duties and responsibilities well, referring to POJK No. 55/POJK.03/2016, concerning the Implementation of Good Corporate Governance for Commercial Banks and refers to the BPP Committee of the Board of Commissioners of Bank Jatim. The Risk Monitoring Committee during the 2021 period has held 7 (seven) meetings and carried out its duties including:

1. Conducting Evaluation, Discussion in Meetings and Submitting a Memorandum of opinion and advice to management which is carried out once every quarter related to:
 - a. Evaluation of the Risk Profile of Bank Jatim Conventional and Sharia Unit.
 - b. Evaluation of the suitability of risk management policies with the implementation of Bank policies.
2. Coordination Meetings with Related Divisions and Visits to Branches in the context of active supervision by the Board of Commissioners, towards:
 - a. Implementation of risk management in work units and branch offices.
 - b. Monitoring and Evaluation of the adequacy of the process of identification, measurement, monitoring, and control of Risk Management both at the head office and at branch offices.
3. Evaluating the implementation of the SKMR, SKK and SKAI functions as the second and third lines of defense in the application of the three line of defense concept.

4. Evaluating the implementation of the SKMR, SKK and SKAI functions as the second and third lines of defense in the application of the three line of defense concept.
5. Evaluation and Opinion on Large Exposure Loans and Approval of the Board of Commissioners on related Parties' credits.
6. Coordination with the Audit Committee for the monitoring and evaluation of TKB and the Compliance Function.
7. Evaluating the implementation of anti-fraud strategies in handling conflicts of interest and controlling gratuities, transparency of financial and non-financial information, as well as the integration of the Bank's strategic plans

Procedures for Replacement of Committees Under The Board of Commissioners

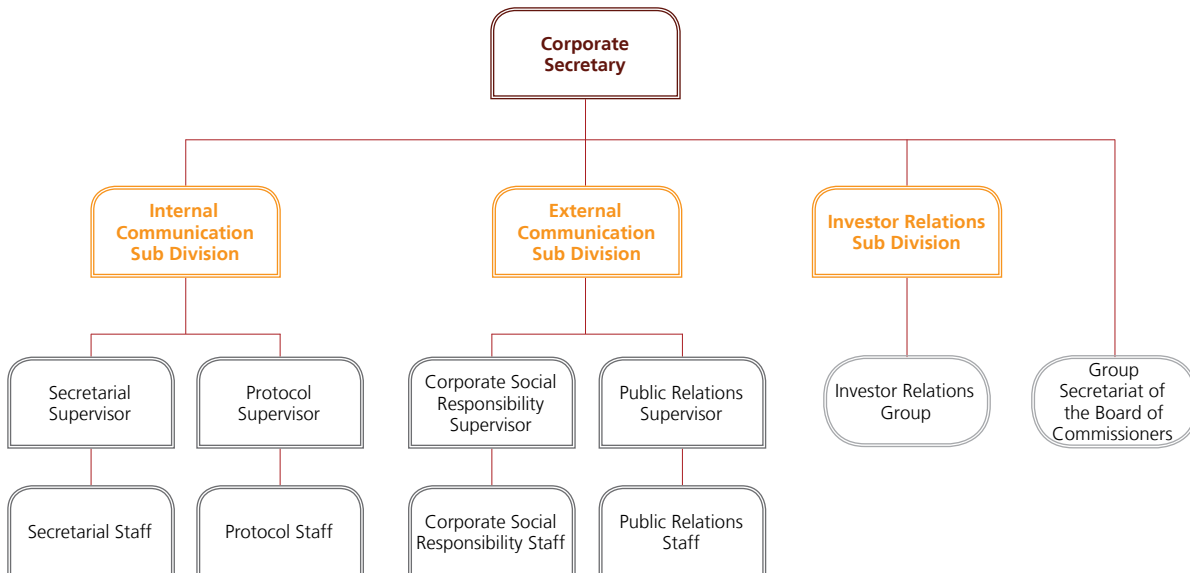
The procedure for replacing members of the Committee under the Board of Commissioners from an Independent Party is set out in the SOP for the Selection and/or Replacement of Committee Members of the Board of Commissioners with the following stages:

1. Announcement of Recruitment of Committee Member Vacancies.
2. Administrative selection.
3. Assessment with a 3rd party (Independent).
4. Meeting of the Board of Commissioners to discuss candidates for committee members.
5. Negotiation.
6. Determination of Committee members in the Decree.

Organ and Committee Under The Board of Directors

Corporate Secretary

Structure of The Corporate Secretary



Functions, Duties and Responsibilities of The Corporate Secretary

The Corporate Secretary has duties and responsibilities, among others;

1. Developing the Bank's mission
2. Mediators with Stakeholders such as regulators, investors and the public
3. Maintaining the Bank's image as well
4. Provide information disclosure.

The Corporate Secretary of Bank Jatim has access to material and relevant information relating to the Company relating to information disclosure issues. Bank Jatim's Corporate Secretary is in charge of 3 (three) Subdivisions, namely Internal Communication SubDivision, 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



Umi Rodyah

Pemimpin Corporate Secretary

Citizenship

Indonesian citizens

Place and Date of Birth/Age

Born in Probolinggo in 1966. 55 years old as of December 2021.

Domicile

Surabaya

Educational Background

Bachelor of State Administration from Brawijaya University (1991).

Job History

Joined Bank Jatim in 1994. Prior to his current position, he served as Head of Cab Operations. Probolinggo (2009), Leader of Cab. Perak (2010), Head of Sub-Division of Foreign Service Funds and Foreign Service Division (2015), Head of Cab. Utama (2016), Head of Cab Operational Bid. Utama (2017), Corporate Secretary (2018), Head of Institutional and Business Relations Division (2018), Head of Funds and Services (2021).

Basis of Appointment

Since 2021, he has served as Head of Corporate Secretary based on the Decree of the Board of Directors No. 060/59/DIR/HCP/KEP dated February 15, 2021.

Corporate Secretary Competency Improvement Program

Throughout 2021, Bank Jatim's Corporate Secretary has participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Name	Type of Training	Competency Development Material	Time and Place of Implementation	Organizer
Umi Rodyah	Webinar	Sosialisasi <i>E-Proxy & E-Voting</i>	January 20, 2021, Online	PT Kustodian Sentral Efek Indonesia
	Webinar	Webinar Peluang dan Tantangan Lembaga Pengelola Investasi (LPI) atau <i>Sovereign Wealth Fund (SWF)</i> dalam Mendukung Pembangunan secara Berkelanjutan	February 25, Online	PT Bursa Efek Indonesia
	Webinar	Sosialisasi <i>E-Proxy</i>	June 15, 2021, Online	PT Kustodian Sentral Efek Indonesia
	Webinar	Webinar Perubahan Peraturan I-E	June 22, 2021, Online	PT Bursa Efek Indonesia
	Webinar	Webinar Pendalaman Implementasi POJK 15 & 16	July 1, 2021, Online	Asosiasi Emiten Indonesia
	Webinar	Pemahaman & Penerapan POJK 3/POJK.04/2021 Tentang Penyelenggaraan Kegiatan Di Bidang Pasar Modal	August 3, 2021, Online	Asosiasi Emiten Indonesia
	Webinar	Tata Kelola Komunikasi	September 9, 2021, Online	ICSA
	Webinar	IPO Series 4	October 12, 2021, Online	Asbanda
	Webinar	IPO Series 5	October 21, 2021, Online	Asbanda
	Webinar	Webinar HMETD, IPO	October 22, 2021, Online	ICSA
	Webinar	FGD Sekuritisasi Aset	November 4, 2021, Online	Bank Indonesia
Webinar	IPO Series 6	November 11, 2021, Online	Asbanda	

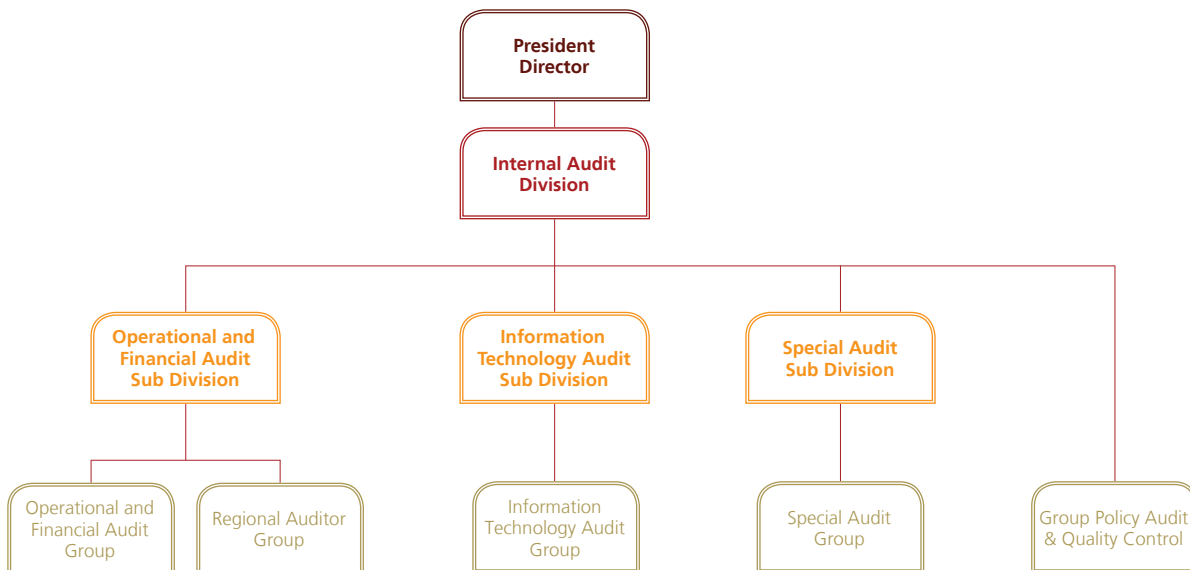
Implementation of Corporate Secretary Assignments in 2021

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 June 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 June 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. 060/22/DIR/AUI/KEP dated 28 January 2021 concerning Guidelines for the Implementation of Information Technology Internal Audit of PT Bank Pembangunan Daerah Jawa Timur Tbk.
7. Decree of the Board of Directors No. 060/02/04/DIR/AUI/KEP 30 November 2021 regarding Internal Audit Product and Activity Policy

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 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



Ratna Hastutik

Pemimpin Divisi Audit Intern

Citizenship

Warga Negara Indonesia

Place and date of birth

Bojonegoro, 02-06-1965 / 56 Tahun

Domicile

Sidoarjo

Educational background

- Bachelor of Psychology, UPB, Surabaya (1990)
- Master of Law, Universitas 17 Agustus – Surabaya (2020)

Position History

1. Acting Head of Internal Audit Division 2021
2. Branch Manager, Madiun Branch in 2017
3. Branch Manager, Ngawi Branch 2014
4. Acting Ngawi Branch Manager, Ngawi Branch in 2013
5. Acting Head of Sub Division of HR Development Division in 2012
6. Head of Operations for Sampang Branch in 2010
7. Head of Sub-Branch Krian Sidoarjo Branch in 2009
8. General Supervisor/HR Sidoarjo Branch in 2006
9. Customer Supervisor & Teller Sidoarjo Branch in 2006
10. General Supervisor/HR Sidoarjo Branch in 2003
11. Management of Education, Training & Human Resources Development Division 2002
12. Pengel staff. developer. Employee. HR Division Training & Development 2001
13. Employees of the Development Bag. Department of Education and Training of the Bureau of Human Resources in 1994

Internal Audit Certification

1. CPIA (Certified Practitioner of Audit angkatan ke-21) "YPIA (Yayasan Pendidikan Internal Audit)" tahun 2021
2. Public training online pelatihan guide to cafm certification & cafm examination serta sertifikasi anti fraud unit internal Bank tahun 2021 "Asia Anti Fraud" tahun 2021
3. Training of Audit Basics "Accounting and Finance Development Center" 2021
4. Fraud Auditing Training 1 (FA-1) "LPFA(Lembg. Development of Fraud Auditing)" 2021

Training

1. Risk Management Certification Refreshment Program "BSMR (Risk Management Certification Agency)" in 2016
2. Inhouse Training Risk Culture "One Point Indonesia" 2016
3. Consumer Banking Business & Casa Development Training "Pt Wyr Solusi Innovation" 2016
4. "One Point Indonesia" Trade Finance Training 2016
5. Level-4 Management Certification Training "Surabaya Management Institution (Lms)" 2017
6. Assessment of Executive Officers Batch 2 "Indonesian Banking Development Institute (LPPI)" Year 2019
7. Breakthrough Workshop Communication, Persuasion, Coaching Skill Improvement & Culture Program Execution" (Corporate Culture) "Ibi (Indonesian Bankers Association) – Bcc" 2019
8. Training on Environmental Impact Analysis (Amdal) in Providing Credit for "Pt Media Edutama Indonesia (May)" in 2019
9. Esq Digi Word Outstanding Mentality - Dr. (H.C) Ary Ginanjar Agustian "Esq - Dr. (H.C) Ary Ginanjar Agustian" Year 2020
10. Webinar of the Association of Bank Internal Auditors (IAib) With the Topic "The Role of Internal Audit in Strengthening Governance in the Banking Industry During and After the Covid-19 Pandemic" Financial Services Authority - OJK" 2021

Basis of Appointment

Head of Internal Audit Division According to Decree No. 060/319/DIR/HCP/KEP Dated 31-12-2021

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.

- Carry out steps in order to dig up information (investigation), report, and submit recommendations/conclusions on fraud to Management.
- 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:

- Monitor the implementation of Internal Audit in related companies in financial conglomerates.
- 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	Amount
TKIK	2
Capeg	9
Junior Auditor	33
Auditor	16
Senior Auditor	7
Head of Sub Division of Audit	3
Head of the Internal Audit Division	1
TOTAL	71

Competency Improvement Program for The Internal Audit Division

No.	Training Date	Type of Training
1	24-03-2021	ISO 9001 Training
2	05-04-2021	Audit basics training
3	04-05-2021	Fraud Auditing Training 1
4	07-06-2021	CPIA training
5	12-08-2021	Competency Based Interview Training
6	21-08-2021	Refreshment BSMR Level 4
7	28-10-2021	FKSPI National Seminar
8	05-11-2021	Refreshment BSMR Level 3
9	13-11-2021	Credit Training Refreshment
10	18-11-2021	APU PPT Training
11	21-11-2021	Refreshment BSMR Level 2
12	27-11-2021	CBIA Certificate Refreshment
13	02-12-2021	Custodian Training
14	03-12-2021	IAIB Webinar
15	06-12-2021	CAFM Training and Certification
16	11-12-2021	AS-400 training
17	21-12-2021	Treasury Auditing Training

Internal Audit Division Personnel Certification

Certifications that have been held by the Auditor include:

Certification	Amount
BSMR 1	22
BSMR 2	13
BSMR 3	7
BSMR 4	4
CAFM	1
CPIA	1
CBIA	16
CISA	1
TREASURY DEALER	1
IT-IL V3	4

Auditor Code of Ethics

The Internal Audit Division must strive to be able to play a role as a consultant for internal parties that need it, especially regarding the scope of their duties. The Internal Audit Division can provide responses to proposals for policies or new systems and procedures to assess aspects of internal control so that in its implementation its objectives can be achieved effectively and efficiently.

With the involvement of the Internal Audit Division in this system review, it does not mean that those things will be excluded as audit objects. The Internal Audit Division does not have the authority or responsibility to carry out operational activities of the Auditee.

Independence

The Internal Audit Division has independence in carrying out Internal Audit and investigative activities, expressing views and thoughts in accordance with its profession and applicable standards.

1. Management must provide full support for the functions of the Internal Audit Division in order to be able to carry out their duties freely without interference from any party and management must follow up on the findings of the Internal Audit Division.
2. Internal Auditors are able to express their views and thoughts without influence or pressure from any other party.
3. The Internal Audit Division has the freedom to determine the audit methods, scope, methods, techniques and approaches to be carried out.
4. In managing Internal Audit Division personnel, with the approval of the President Director and Head of the Internal Audit Division.

Objectivity

1. Internal Auditors and Investigators must have an independent mental attitude in carrying out internal audit and investigative activities. This mental attitude is reflected in a complete, objective report and based on careful and impartial analysis.
2. Internal Auditors and Investigators are free from conflicts of interest over the object or activity being examined. If the Internal Auditor and Investigator have a conflict of interest in the object or activity being examined, the person concerned must state the connection and not be assigned to carry out an audit of the object or activity in question.

Professionalism

Professionalism becomes a reference for the Auditor in carrying out his duties. For this reason the auditor must have the attitude:

1. Integrity, mental attitude that is independent, honest, objective, diligent, reliable, decisive, trustworthy, avoids conflicts of interest and upholds the ethics and profession of the Internal Auditor, including being wise and cautious in using information obtained in carrying out tasks and not use confidential information for personal interests or other things that could cause harm to the Bank (confidentiality code).
2. Competencies in accordance with the required competency profile.
3. The ability to interact and communicate effectively both verbally and in writing.
4. Obligation to comply with the Internal Auditor's Code of Ethics and the Internal Auditor's Professional Standards for the Internal Auditor and the Investigator's Code of Ethics and Investigator's Professional Standards for Investigators.
5. Obligation to maintain the confidentiality of company information and/or data related to carrying out the duties and responsibilities of the Internal Auditor unless required by statutory regulations or court decisions/decisions.

Brief Report on The Implementation of Internal Audit Activities In 2021

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 2021

Audit activities in 2021 had been in accordance with the Internal Audit Division's 2021 Audit Plan No. 060/001/AUI/AUDIT PLAN dated January 18, 2021. and Changes in the Audit Plan for 2021 due to the high level of spread of the Corona Virus (Covid-19) of the Delta variant and the Implementation of Restrictions on Community Activities (PPKM) No.060/104/AUI/AOK /NOTA dated August 27, 2021 and approval of the 2021 Audit Plan Amendment No. 060/122/DK/Nota dated September 2, 2021. General audits were carried out in 27 Branches and 13 Divisions.

Realization of General Audit in 2021

The General Audit to the Branches has been carried out but is not in accordance with the original plan due to the high level of spread of the Corona Virus (Covid-19) Delta variant and the Implementation of Community Activity Restrictions (PPKM). Initially scheduled to conduct inspections on 28 (twenty eight) Branches, it changed to 27 (twenty seven) Branches, while for Division inspections from 18 (eighteen) Divisions, it changed to 13 (twelve) Divisions.

Realization of Off-Site Monitoring in 2021

In 2021, the Internal Audit Division has carried out offsite monitoring of the Divisions at the Head Office

Realization of In-Depth Audit/Advanced Examination in 2021

The in-depth/advanced examination of the examined Branch/ Division was realized as many as 25 (twenty five) examinations.

Realization of IT Audit in 2021

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.

Meeting with the Board of Directors, Board of Commissioners, and/or Audit Committee

The Internal Audit Division has the authority to hold regular and incidental meetings with the President Director, Board of Commissioners, Audit Committee and Sharia Supervisory Board. In addition, the Internal Audit Division can participate in strategic meetings without having voting rights.

During 2021, the Internal Audit Division has attended meetings with the Board of Directors, Board of Commissioners, and/or the Audit Committee, with details as follows.

No.	Description	Number of Meetings
1.	Kick Off Audit Plan	1
2.	Meetings of the Audit Committee and the Board of Commissioners	1
3.	Branch and Division Exit Meeting	23

Findings and Follow Up on Audit Results

The Internal Audit Division must monitor and analyze and report the progress of the implementation of the follow-up improvements that have been made by the Auditee. The followup includes:

- 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.
- 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.

- Follow-up Reporting
In its implementation, if the follow-up has not been fully fulfilled. Accorded 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.
- 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.

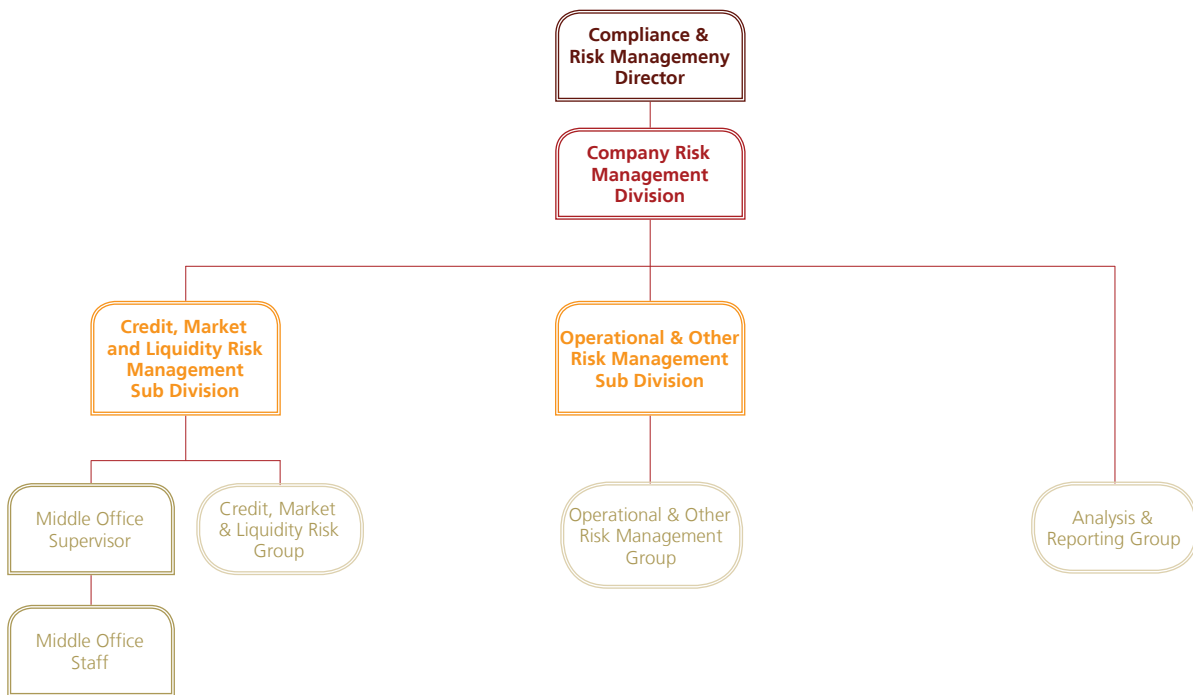
The number of findings and those that have been followed up during 2021 are as follows.

Information	Number of Findings
Finding Status	3.810
Followed up	3.605
Not followed up	205

Corporate Risk Management Division

Structure of Corporate Risk Management Division

The structure of the Company Risk Management Division consists of the Compliance and Risk Management Director who oversees the Corporate Risk Management Division which consists of the Credit, Market and Liquidity Risk Management Subdivision and the Operational Risk Management Subdivision and Others.



Duties and Responsibilities of The Corporate Risk Management Division

The duties and responsibilities of the Company's Risk Management Division are as follows:

1. Conduct a review and evaluation of risk assessment and mitigation of:
 - a. New and existing activities/products.
 - b. Bank risk profile.
2. Conduct a review on the determination of limits Risk, Bank Business Activities and Bank Operational Activities, namely:
 - a. Bankwide Review of Risk Limit Determination (Risk Appetite, Risk Tolerance and Risk Limit).
 - b. Review on Determination of Bank Business Activity Limits.
 - c. Review on Determination of Operational Activity Limits.
3. Monitor and control risks related to treasury transactions.
4. 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.
5. Ensure the coordination, management and review of reports to external and internal parties.

Profile of The Leader of Corporate Risk Management Division



Suci Issumiyarti

Head of Corporate Risk Management Division

Citizenship

Indonesian citizens

Place and date of birth

Born in Semarang on December 24, 1966/55 years old

Domicile

Surabaya

Educational background

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

Position History

1. Head of Corporate Risk Management Division (2021 – present)
2. Head of Business Risk Division (2018 – 2020)
3. Head of Institutional and Business Relations Division (2017-2018)
4. Strategic Planning Division Leader (2017-2017)
5. Malang Branch Manager (2015-2017)
6. Head of Corporate Secretary Sub Division (2015-2015)
7. Tulungagung Branch Manager (2014-2015)
8. Head of Kepanjen Branch (2012 – 2014)

Certification

Risk Management Certification Level 4
Bank Staff and Leadership School (SESPI) 2021

Basis of Appointment

Head of the Company's Risk Management Division. According to the Decree of the Board of Directors No. 060/011/DIR/HCP/KEP dated January 13, 2021.

Risk Management Competency Development

The competency development that has been followed by the Company's Risk Management Division employees during 2021 is as follows.

No.	Name of Education and Competency Development	Execution time
1	Workshop "Fundamentals of Risk Management in the Use of Information Technology Based on POJK No. 13 of 2020"	June 2021
2	Online Training "Operational Risk ATMR and Risk Management Culture"	August 2021
3	Online Training "Middle Office Function"	September 2021
4	Workshop "Integrated Governance, Risk & Compliance (GRC)"	September 2021
5	Workshop "Credit Risk Management For Banking"	October 2021
6	Online Training "Challenges and Strategies to Overcome Cyber Crime"	October 2021
7	Workshop "Compliance Aspects in Credit Sector"	November 2021
8	Workshop "Auditing on Treasury Banking"	December 2021

Risk Management Certification

No	Certification	Position	Total
1	Risk Management Certification Level 5	Directors	3
		Division Leader	7
2	Risk Management Certification Level 4	Division Leader, Picab. Main	5
		Pimsubdiv. & PC	15
		Senior Officer, Pimcapem & PBO	89
3	Risk Management Certification Level 3	Head of Division.	0
		Pimsubdiv. & PC	8
		Senior Analyst, Pimcapem Level	267
		Level Supervisor	4
		Staff	1
4	Risk Management Certification Level 2	board of Commissioners	0
		Pimcapem, Senior Officer	3
		Level Supervisor	680
		Staff	3
5	Risk Management Certification Level 1	Level Supervisor	13
		Staff	379

Implementation Duties of The Corporate Risk Management Division in 2021

During 2021, the Company's Risk Management Division has carried out its duties and responsibilities, including:

- Conducting reviews, evaluating studies, and mitigating risks on:
 - New and existing activities/products.
 - Bank Risk Profile.
- Reviewing the limit setting (Risk, Bank Business Activities and Bank Operational Activities, namely:
 - Review the determination of Risk Limits (Risk Appetite, Risk Tolerance, and Risk Limit) on a bank-wide basis.
 - Review of Determination of Bank Business Activity Limits.
 - Review of Determining Operational Activity Limits.
- Monitoring and controlling risks related to the implementation of treasury transactions.
- Reviewing and providing recommendations on new and existing policies standard operating procedures (SOPs) to risk-taking units for business process improvements or adjusting to regulatory provisions.
- Ensure the coordination, management, and review of reports to external and internal parties.
- Dissemination of Risk Culture, Division Performance Evaluation, Provision of Executive Officers, New Employees, Branch socialization related to risk mitigation that must be considered.

Committee Under The Board of Directors

Provisions regarding the Board of Directors Committee of Bank Jatim are stipulated based on the Decree of the Board of Directors Number 060/93/DIR/CSE/KEP dated March 16, 2021, concerning the Board of Directors Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. Following the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Number 058/158/DIR/PRS/KEP dated June 17, 2019, concerning the Organizational Structure and Work Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk, the Committee for the Board of Directors of Bank Jatim in 2021 is as follows:

- Asset Liability Committee (ALCO)
- Risk Management Committee
- Personnel Management Committee
- Information Technology Steering Committee (ITSC)
- Credit Committee
 - Credit Implementation Committee;
 - Credit Rescue Committee;
 - Credit Settlement Committee;
 - Credit Book Write-off Committee;
 - Credit Line Committee;
 - Term Loan Facility Committee;
 - Financing Implementation Committee
 - Financing Rescue Committee
 - Financing Settlement Committee
 - Committee Delete Financing
- Credit Policy Committee
- Product, Network and Procedure Committee:
 - Product Sector PJP Committee
 - PJP Committee for Networking
 - PJP Committee for ProcedureKomite
- Integrated Risk Management Committee

Specifically, the Integrated Risk Management Committee cannot be implemented based on the Financial Services Authority Letter number S-149/KR.04/2020 dated December 29, 2020, concerning the Classification of the Bank Jatim Financial Conglomerate.

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

Position	Accorded By	Voting Rights Status
Chairman	President director	Have voting rights
Interim Head of Committee	Director of Finance	Have voting rights

Position	Accorded By	Voting Rights Status
Secretary	<ul style="list-style-type: none"> - Head of the Treasury Division - Commercial and Corporate Director - Director of Consumer Retail & Sharia Business - Business Risk Director - IT & Operations Director - All Division Leaders other than invitees - Main Branch Leader 	Have voting rights
Permanent Member	<ul style="list-style-type: none"> 1) Director of Compliance & Risk Management 2) Human Capital Leader 3) Head of Internal Audit Division 4) Head of Internal Audit Division 5) Head of Compliance & Governance Division 6) Head of the Legal Division 7) Internal and external resource persons (e.g. Branches other than members, 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. Evaluate and set the banking book portfolio strategy based on the Bank's Business Plan (RBB) and following current conditions while still considering Liquidity Risk, Market Risk, and Exchange Rate Risk.

7. Review and determine loan and fund interest rates and list & terms of conditions in accordance with the recommendations, studies and the authority of each division in charge.
8. Review and determine the position strategy of the Primary Reserve, Secondary Reserve and Tertiary Reserve.
9. Review and determine the gap position strategy and its instruments.
10. Review and define strategies for foreign exchange positions and currencies.
11. Determine the internal funds transfer rate or inter-office account prices to boost efficiency in branch management.
12. Review the performance and position of the Bank's assets and financial liabilities in order to assess the impact of asset liability management on the Bank's objectives and on the Bank's internal compliance and regulatory compliance.
13. Adapt strategy, limitations and implementation guidelines as well as policies in order to achieve asset liability management objectives.

PROFILE OF ASSET LIABILITY COMMITTEE (ALCO) MEMBERS

Profiles of members of the Asset Liability Committee (ALCO) can be seen in the Profiles of Directors and Profiles of Division Leaders in the Company Profile Chapter in this Annual Report.

ASSET LIABILITY COMMITTEE (ALCO) INDEPENDENCE STATEMENT

All committee members had no affiliation with Other Directors, Commissioners or Controlling Shareholders, and they were not shareholders of the Company and could affect their ability to act independently, Commissioners, Directors or employees of companies that had affiliation or business with the Bank.

ASSET LIABILITY COMMITTEE (ALCO) MEETING AND DUTIES

Meeting Policy

The Bank regularly held ALCO (Asset & Liability Committee) Meetings every month or 12 (twelve) times in 1 (one) year. The ALCO meeting agenda was led by the ALCO Chair and/or ALCO replacement Chair and attended by ALCO members and invitees. The ALCO Meeting Forum had fulfilled the meeting quorum in accordance with the provisions or management policies related to the Committees under the Board of Directors. The ALCO Meeting agenda of each Business Division was decided in the ALCO forum and was in accordance with the pricing policy and the Bank's business needs.

Implementation of Meetings

No.	ALCO	Agenda	Initiator Division	Total Agenda	ALCO results	Attendance
1	#01. 19 Jan 21	<ul style="list-style-type: none"> Retail Credit scheme fee adjustment 	<ul style="list-style-type: none"> Retail & Program Micro Credit Division 	4	Approved by the ALCO Forum	73%
2	#02. 11 Feb 21	<ul style="list-style-type: none"> Multipurpose Credit Interest Rate Changes Changes in Cycle Savings Interest Rates Change in Interest Rate for BPR Linkage Credit, Bankit KKPA & KKOP Commercial, Corporate and Syndication Credit Interest Rate Adjustments 	<ul style="list-style-type: none"> Consumer Credit Division Service Fund Division Retail & Program Micro Credit Division Commercial, Corporate & Syndication Credit Division 	5	Approved by the ALCO Forum	73%
3	#03. 22 Feb 21	<ul style="list-style-type: none"> Multipurpose Credit Interest Rate Adjustment 	<ul style="list-style-type: none"> Consumer Credit Division 	1	Approved by the ALCO Forum	73%
4	#04. 18 Mar 21	<ul style="list-style-type: none"> Change in Deposit Interest Rate KUR Interest Rate Adjustment UPAS Financing Pricing Adjustment COVID Funding Stimulus Adjustment 	<ul style="list-style-type: none"> Funds & Services Division Retail & Program Micro Credit Division Treasury Division Sharia Division 	4	Approved by the ALCO Forum	96%
5	#05. 16 Apr 21	<ul style="list-style-type: none"> COVID Funding Stimulus Adjustment List of Term & Condition Giro iB Barokah KKB credit interest rate adjustment Savings Interest Rate Adjustment 	<ul style="list-style-type: none"> Sharia Division Consumer Credit Division Funds & Services Division 	4	Approved by the ALCO Forum	96%
6	#06. 19 Mei 21	<ul style="list-style-type: none"> List of Term & Condition Deposit Pundi Kencana Retail Credit Interest Rate Adjustment Deposit Ratio Adjustment 	<ul style="list-style-type: none"> Funds & Services Division Retail & Program Micro Credit Division Sharia Division 	3	Approved by the ALCO Forum	96%
7	#07. 9 Juni 21	<ul style="list-style-type: none"> Multipurpose Credit Program Retail Credit Interest Rate Adjustment List of Term & Condition sharia savings Foreign Exchange Deposit Interest Rate Adjustment 	<ul style="list-style-type: none"> Consumer Credit Division Retail & Program Micro Credit Division Sharia Division Funds & Services Division 	4	Approved by the ALCO Forum	96%
8	#08. 9 Juli 21	<ul style="list-style-type: none"> Micro Credit Interest Rate Adjustment List of Retail Credit Term & Condition Fund product rates General Credit Interest Rate Adjustment Customer stimulus affected COVID 	<ul style="list-style-type: none"> Retail & Program Micro Credit Division Funds & Services Division Commercial, Corporate & Syndication Credit Division 	4	Approved by the ALCO Forum	96%
9	#09. 16 Agst 21	<ul style="list-style-type: none"> Micro Credit Interest Rate Adjustment List of Term & Condition Micro Credit Interest Rate Retail Credit Interest Rate Adjustment List of Term & Condition Retail Credit Interest Rates Deposit Interest Rate Adjustment Adjustment List of term & Condition L/C SKBDN Consumption Credit Interest Rate Adjustment 	<ul style="list-style-type: none"> Retail & Program Micro Credit Division Funds & Services Division Treasury Division Consumer Credit Division 	7	Approved by the ALCO Forum	96%
10	#10. 19 Okt 21	<ul style="list-style-type: none"> Foreign Exchange Savings Interest Rate Adjustment Giro Valas Interest Rate Adjustment Rupiah Deposit Interest Rate Adjustment Foreign Exchange Deposit Interest Rate Adjustment 	<ul style="list-style-type: none"> Funds & Services Division 	4	Approved by the ALCO Forum	100%
11	#11. 15 Nov 21	<ul style="list-style-type: none"> List of Term & Condition of sharia business List of Term & Condition Retail Credit Pricing and List of Term & condition Term Loan Facility 	<ul style="list-style-type: none"> Sharia Division Retail & Program Micro Credit Division Treasury Division 	3	Approved by the ALCO Forum	90%
12	#12. 14 Des 21	<ul style="list-style-type: none"> Consumption Credit Interest Rate Policy 2022 List of Consumer Credit Term & Condition Micro Credit Interest Rate Policy List of Retail Credit Term & Condition 	<ul style="list-style-type: none"> Consumer Credit Division Retail & Program Micro Credit Division 	4	Approved by the ALCO Forum	90%

Risk Management Committee

The Risk Management Committee is established to maintain risk exposures at tolerable or profitable limits, so the Bank can conduct its business activities and remain under control (manageable) based on the principle of prudence.

STRUCTURE AND MEMBERSHIP OF RISK MANAGEMENT COMMITTEE

The structure and membership of the Risk Management Committee are as follows.

Position	Accorded By	Accorded By Voting Rights Status
Chief	President director	Have voting rights
Interim Head of Committee	Director of Compliance and Risk Management	Have voting rights
Secretary	Head of Corporate Risk Management Division	Have voting rights
Permanent Member	All Directors	Have voting rights
Non-Permanent Member	Executive Officer/Related Division Leader	Have no voting rights

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.
5. It delivers strategic issues that are in line with the business strategy set by the Division in charge.

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:
 1. Significant business expansion exceeding decisions compared to the predetermined business plan.
 2. 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.

RISK MANAGEMENT COMMITTEE INDEPENDENCE STATEMENT

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF RISK MANAGEMENT COMMITTEE TASKS

NO	Committee	Agenda	Initiator Division	Number of Agenda	Results	Presence
1	KOMENKO #01 11 February 2021	1. Review of Limit Settlement on Transactions through ESTIM (Branches and Head Office)	<ul style="list-style-type: none"> Corporate Risk Management Division 	1	Approved at the Coordinating Ministry Meeting	71%
2	KOMENKO #02 26 February 2021	<ol style="list-style-type: none"> 1. Limit of Credit/Financing Approval (LKPK/P) Cash and Non-Cash Credit/Financing (Bank Guarantee, L/C & SKBDN) 2. Limit of Credit/Financing Approval (LKPK/P) Cash and Non-Cash Credit/Financing With Committees and Without Committees 3. Limit On The Spot (OTS) on Credit/Financing Process 	<ul style="list-style-type: none"> Consumer Credit Division Retail & Program Microcredit Division Commercial, Corporate & Syndicated Loan Division Business Risk Division Credit Rescue & Settlement Division Sharia Business Division Operations Division Treasury Division 	3	Approved at the Coordinating Ministry Meeting	100%

NO	Committee	Agenda	Initiator Division	Number of Agenda	Results	Presence
3	RSC #01 15 April 2021	<ol style="list-style-type: none"> Bank Soundness Level Self-Assessment Results for the Period of December 2020 The results of the Risk Control Self Assessment Monitoring through the Branch Risk Profile Application for the December 2020 Period Top 10 Risks of Bank Jatim 	<ul style="list-style-type: none"> Corporate Risk Management Division 	3	Approved at the Komenko Meeting	71%
4	RSC #02 27 August 2021	<ol style="list-style-type: none"> Results of Follow-up on the Results of the Risk Steering Committee #01 NPL Development of Bank Jatim 	<ul style="list-style-type: none"> Corporate Risk Management Division 	2	Approved at the Komenko Meeting	71%
5	KOMENKO #03 24 December 2021	<ol style="list-style-type: none"> Review of Credit Line Breaker Authority Limits/Transaction Facilities Review Limit Estim 	<ul style="list-style-type: none"> Trisuri Division Operations Division 	2	<ol style="list-style-type: none"> Approved at the Coordinating Ministry meeting Approved at the Coordinating Minister's Meeting 	100%

Personnel Management Committee

The Personnel Management Committee was formed in order to obtain optimal results in deciding critical matters in the field of Human Capital, both strategically, policies, and the Human Capital management system in line with the Bank's Business Plan.

STRUCTURE AND MEMBERSHIP OF THE EMPLOYMENT COMMITTEE

The Membership Structure of the Board of Directors Committee is as follows:

Chairman	President director
Interim Head of Committee	Divisional Director in charge of the Human Capital Division
Member	(If the President Director Is Absent)
Secretary	The other Field Director and one of them must be the Director who is in charge of the Human Capital Division

The Membership Structure of the Field Director Committee is as follows:

Chairman	Director in charge of the Human Capital Division
Member	Head of Human Capital Division Head of Compliance and Governance Division Head of the Legal Division
Secretary	Head of Human Capital Operational Sub Division
Source person	Internal Audit Division

The Division Committee Membership Structure is as follows:

Chairman	Human Capital Division Leader
Member	<ol style="list-style-type: none"> Head of Human Capital Division Head of Strategic Planning & MK Division (for Policy Sector) Head of Compliance & Governance Division (for Policy & Punishment Sector) Head of Legal Division (for Position Punishment)

Secretary

Sub-Division Leader in the Human Capital Division

Source person

- Other Division Leaders related to the discussion
- Internal Audit Division specifically for the field of office punishment

DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE EMPLOYMENT COMMITTEE

- The duties, authorities and responsibilities of the Board of Directors Committee are divided into 3 (three) areas consisting of:
 - Policy Area
 - Career Management
 - Office Punishment
- The duties, authorities and responsibilities of the Board of Directors Committee in the policy field include:
 - Provide approval in the form of a principle permit on the recruitment of prohire/multilevel entry employees whose recruitment is submitted to the HC Division
 - Ensure that the main policies related to Human Capital activities are consistent and in line with the company's strategic planning (Corporate plan).
 - Establish and decide on the main policies of activities related to Human Capital, among others:
 - recruitment,
 - recruitment,
 - employee remuneration,
 - Performance appraisal, employee development and career,
 - Rewards and Punishment System,
 - Industrial relations,
 - Work Culture.
the implementation is carried out by the Human Capital Division.
- Duties, authorities and responsibilities of the Board of Directors Committee in the field of career management include:
 - Deciding on the implementation of the official transfer/promotion program at Echelon 1 and Echelon 2 levels.
 - Evaluating the Key Performance Indicators (KPI) of individual officials with echelon 1 levels
- The duties, authorities and responsibilities of the Board of Directors Committee in the field of office punishment were

- to decide on the stipulation of sanctions for disciplinary violations for employees with echelon 1 and echelon 2 levels as well as echelon levels below.
5. The duties, authorities and responsibilities of the Field Director Committee were to decide on the determination of sanctions for disciplinary violations for employees with echelon 3 levels and echelon levels below if they were interrelated in their violations. In deciding the determination of sanctions, the Committee of the Divisional Director considered the recommendations of the Divisional Committee or the Branch Office Committee.
 6. The duties, authorities and responsibilities of the Divisional Committee are divided into 2 (two) areas consisting of:
 - a. Policy Area
 - b. Position Penalty Field.
 7. Duties, powers and responsibilities of the Divisional Committee in the policy field include:
 - a. Reviewing and evaluating the main policies of Human Capital activities and recommending proposed changes and or improvements to policies, among others:
 - i. recruitment,
 - ii. employee remuneration,
 - iii. Performance appraisal, employee development and career,
 - iv. Rewards and Punishment System,
 - v. Industrial relations,
 - vi. Work Culture,
 - b. Reviewing and evaluating the alignment that the main policy activities related to Human Capital are consistent and in line with the company's strategic planning (Corporate plan).
 8. Duties, powers and responsibilities of the Divisional Committee in the field of office punishment include:
 - a. Creating an audit result clarification team related to alleged violations consisting of the Human Capital Division and related Divisions (according to the type of alleged violation) if the perpetrators of violations are employees at the Head Office, especially for perpetrators of violations, Echelon 1 and 2 employees and their lower echelons if related to each other in the violation, both at Branch and Division Offices;
 - b. Making and compiling letters of accusation to perpetrators of violations with echelon 1 and echelon 2 levels as well as echelon levels below if related to each other in the violation according to the Audit Results Report (LHA) from the Internal Audit Unit (SKAI) according to FORM KMK-05;
 9. The duties, authorities and responsibilities of the Branch Office committee were specifically in the field of office punishment, including:
 - a. Clarifying audit results related to alleged violations committed by employees at Branch Offices other than echelon 2 or other echelons if related to each other in the violation;
 - b. Creating and compiling letters of accusation to perpetrators of violations with echelon 3 and lower echelon levels (if the violations were not related to echelon 1 & 2 levels) according to the Audit Result Report (LHA) from the Internal Audit Work Unit (SKAI) according to FORM KMK-05;
 - c. Summoning or inviting violators with echelon 3 and lower echelon levels (if the violations were not related to echelon 1 & 2 levels) for clarification in accordance with FORM KMK-06;
 - d. Making recommendations for sanctions for disciplinary violations for employees with echelon 3 levels and echelon levels below (if the violations were not related to echelon 1 & 2 levels);
 - e. Deciding on the determination of sanctions for disciplinary violations for employees with basic employee levels if the violations were not interrelated with higher echelon levels.
 5. Summoning and inviting perpetrators of echelon 1 and echelon 2 violations and their lower echelon levels if related to each other in their violations for clarification according to FORM KMK-06;
 - d. Making proposals for sanctions for disciplinary violations for employees with echelon 1, echelon 2 and 3 echelon levels as well as echelon levels below if related to each other in the violation;
 - e. Deciding on the determination of sanctions for disciplinary violations for employees with echelon 4 levels and implementers as well as echelon levels below if related to each other in the violation;

EMPLOYMENT COMMITTEE MEMBERS PROFILE

Profiles of Personnel Management Committee Members can be seen in the Profiles of Directors and Heads of Division in the Company Profile Chapter in this Annual Report.

STATEMENT OF INDEPENDENCE OF EMPLOYEE MANAGEMENT COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF THE TASKS OF THE EMPLOYEE MANAGEMENT COMMITTEE

No	KMK	Agenda	Initiator Division	Number of Agenda	Results	Presence
1	January 11, 2021	<ul style="list-style-type: none"> • Special Benefits Policy Review • Review of the Official House Rental Assistance Facility Policy • Review of Service Period Award Policy • Review of Grading & Remuneration Policy 	Human Capital Division	4	Approved	100%

No	KMK	Agenda	Initiator Division	Number of Agenda	Results	Presence
2	February 01, 2021	<ul style="list-style-type: none"> Closing of Office Penalties Appointment of Trustees of Bank Jatim Employee Foundation 	Human Capital Division	2	Approved	100%
3	February 09, 2021	<ul style="list-style-type: none"> Echelon 1 and Echelon 2 Officer Rotation 	Human Capital Division	1	Approved	100%
4	February 15, 2021	<ul style="list-style-type: none"> Determination of Position Penalties 	Human Capital Division	1	Approved	100%
5	April 07, 2021	<ul style="list-style-type: none"> Special Benefits Policy Review Review of the Official House Rental Assistance Facility Policy Period of Service Award Policy Review Grading & Remuneration Policy Review 	Human Capital Division	4	Approved	100%
6	May 31, 2021	<ul style="list-style-type: none"> Disciplinary Punishment Determination of the Submission of Retirement Preparation Period (MPP) Appointment of DPPK – PPMP Managers and Supervisors 	Human Capital Division	3	Approved	100%
7	June 29, 2021	<ul style="list-style-type: none"> Special Benefits Policy Review Review of the Official House Rental Assistance Facility Policy Review of Service Period Award Policy Review of Grading & Remuneration Policy 	Human Capital Division	4	Approved	100%
8	September 20, 2021	<ul style="list-style-type: none"> Policy Formulation of the Employee Retirement Program 	Human Capital Division	1	Approved	100%
9	October 19, 2021	<ul style="list-style-type: none"> Circular Committee for Discussion of Provisional Notices 	Human Capital Division	1	Approved	100%
10	November 25, 2021	<ul style="list-style-type: none"> Circular Committee for Discussion of Provisional Notices 	Human Capital Division	1	Approved	100%
11	Dec 23 2021	<ul style="list-style-type: none"> Condolence Money Policy Review Car Allowance Program Policy Review Reward Policy Review Punishmen Policy Review TAD Policy Review Recruitment Policy Review 	Human Capital Division	6	Approved	100%

Information Technology Steering Committee

The roles and functions of the Information Technology Steering Committee (ITSC) are:

- Information Technology Steering Committee (ITSC) is part of IT governance in providing recommendations, the committee must pay attention to the efficiency factor as part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the Bank and customers.
- As part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the IT Steering Committee, it was formed as a manifestation of the commitment of the Board of Directors and management of Bank Jatim in the form of active supervision of IT management. As stipulated in POJK MRTI, ITSC plays a role in assisting the implementation of the Board of Directors' duties in establishing the Information Technology Strategic Plan and Bank policies related to the use of Information Technology.

STRUCTURE AND MEMBERSHIP OF INFORMATION TECHNOLOGY STEERING COMMITTEE

Position	Accorded by	Voting Rights Status
Chairman	President director	Have voting rights
Interim Head of Committee	Director of IT and Operation	Have voting rights
Secretary	Leader of Information Technology Division	Have voting rights

Permanent member	<ol style="list-style-type: none"> 1. Director of Finance 2. Director who brought SKMR 3. Business Risk Director 4. Commercial and Corporate Director 5. Director of Consumer, Retail and Sharia Business 6. SEVP Sharia Business Unit 7. SEVP Sharia Business Unit 8. Head of Corporate Secretary 9. Sharia Business Division Leader 10. Head of Risk Management Division 11. All Division Leaders Except: <ol style="list-style-type: none"> a. Head of Internal Audit Division b. Legal Division Leader c. Head of Compliance and Governance Division. 	Have voting rights
Non-Permanent Member	<ol style="list-style-type: none"> 1. Head of Internal Audit Division 2. Legal Division Leader 3. Head of Compliance and Governance Division 	Have no voting rights
Invitation	<ol style="list-style-type: none"> 1. Other Bank Jatim internal parties related to the meeting agenda 2. Other Bank Jatim external parties related to the meeting agenda 	Have no voting rights

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. Discuss and determine and evaluate the proposal/recommendation of RSTI;
2. Reviewing, discussing, and setting the formulation/recommendations/proposed IT operational standards;
3. Monitoring and evaluating conformity between IT projects and RSTI;
4. Monitoring and evaluating the conformity of the IT Bank Business Plan (RBB) and project commitment for the current year;
5. Monitor and evaluate the conformity between IT operations and the needs of the management information system and the needs of the Bank's business activities;
6. Monitoring and evaluating the effectiveness of measures to minimize the risk of the Bank's investment in the IT sector so that investment contributes to the achievement of the Bank's business objectives;
7. Reviewing the latest developments and projections related to IT security from cyber threats;
8. Monitor and evaluate IT performance and efforts to improve IT performance;
9. Monitor and evaluate IT internal and external audit findings;
10. Discuss and resolve various IT-related problems that cannot be resolved by information technology users and information technology providers in an effective, efficient and timely manner; and Discussing the adequacy and allocation of resources owned by the Bank.

INFORMATION TECHNOLOGY STEERING COMMITTEE MEMBER PROFILE

Profiles of Information Technology Steering Committee Members can be seen in the Profiles of Directors and Division Leaders in the Company Profile Chapter in this Annual Report

STEERING INDEPENDENCE OF INFORMATION TECHNOLOGY STEERING COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF INFORMATION TECHNOLOGY STEERING COMMITTEE TASKS

No	IT Committee	Agenda	Initiator Division	Jumlah Agenda	Committee Results	Attendance
1	#01. 27 Dec 2021	<ul style="list-style-type: none"> • IT Performance Evaluation 2021 • Project Commitment & RBB TI 2021 • RBB TI 2022 • Transaction Data • Strategic Plan • Digital Campaign • IT independence 	<ul style="list-style-type: none"> • IT Division 	7	IT Committee forum approved	90%

Credit Committee

STRUCTURE AND MEMBERSHIP OF THE CREDIT COMMITTEE

1. Membership Structure of Credit Implementation

Category	Credit Implementation Committee	Business Function Group	Business Risk Function Group	Supporting Business Function Group	
A	BOARD OF DIRECTORS	A1	<ol style="list-style-type: none"> 1. President director 2. 2 (two) Directors in charge of credit 3. Division Leader in charge of Credit according to Segmentation 4. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration
		A2	<ol style="list-style-type: none"> 1. 2 (two) Directors in charge of credit 2. Division Leader in charge of Credit according to Segmentation 3. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration
		A3	<ol style="list-style-type: none"> 1. Director in charge of credit according to segmentation 2. Division Leader in charge of Credit according to Segmentation 3. Head of Proposing Branch or Booking Office 	Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration

2. Membership Structure Implementation of Financing

Category	Fund Implementation Committee	Business Function Group	Business Risk Function Group	Supporting Business Function Group	
A	BOARD OF DIRECTORS	A1	<ol style="list-style-type: none"> 1. President director 2. Director in charge of Finance 3. Director in charge of credit 4. SEVP UUS 5. Division Leader in charge of Financing 6. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Financing Risk 2. Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration
		A2	<ol style="list-style-type: none"> 1. Director in charge of Finance 2. Director in charge of credit 3. SEVP UUS 4. Division Leader in charge of Financing 5. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Financing Risk 2. Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration
		A3	<ol style="list-style-type: none"> 1. Director in charge of Finance 2. SEVP UUS 3. Division Leader in charge of Financing 4. Head of Proposing Branch or Booking Office 	Division Leader in charge of Financing Risk	Head of Sub Division in charge of Financing Administration

3. Credit Savings Committee Membership Structure

Category	Credit Savings Committee	Business Function Group	Business Risk Function Group	Supporting Business Function Group	
A	DIREKSI	A1	<ol style="list-style-type: none"> 1. President director 2. 2 (two) Directors in charge of credit 3. Division Leader in charge of Credit according to Segmentation (for collectibility 1 and 2) 4. Division Leader in charge of Credit Rescue (collectibility 3, 4 and 5) 5. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration
		A2	<ol style="list-style-type: none"> 1. 2 (two) Directors in charge of credit business 2. Division Leader in charge of Credit according to Segmentation (for collectibility 1 and 2) 3. Division Leader in charge of Credit Rescue (collectibility 3, 4 and 5) 4. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration

Category	Credit Savings Committee	Business Function Group	Business Risk Function Group	Supporting Business Function Group
	A3.1	<ol style="list-style-type: none"> 2 (two) Directors in charge of credit business Division Leader in charge of Credit according to Segmentation (for collectibility 1 and 2) Division Leader in charge of Credit Rescue (collectibility 3, 4 and 5) Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> Director in charge of Credit Risk Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration
	A3.2	<ol style="list-style-type: none"> Division Leader in charge of Credit Rescue (collectibility 3, 4 and 5) Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> Director in charge of Credit Risk Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration

4. Membership Structure of the Financing Rescue Committee

Category	Financing Rescue Committee	Business Function Group	Business Risk Function Group	Supporting Business Function Group	
A	BOARD OF DIRECTORS	A1	<ol style="list-style-type: none"> President director Director in charge of Finance Director in charge of credit SEVP UUS Division Leader in charge of Financing (for collectibility 1 and 2) Division Leader in charge of Financing Rescue (collectibility 3, 4 and 5) Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> Director in charge of Financing Risk Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration
		A2	<ol style="list-style-type: none"> Director in charge of Finance Director in charge of credit SEVP UUS Division Leader in charge of Financing (for collectibility 1 and 2) Division Leader in charge of Financing Rescue (collectibility 3, 4 and 5) Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> Director in charge of Financing Risk Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration
	BOARD OF DIRECTORS	A3.1	<ol style="list-style-type: none"> Director in charge of Finance SEVP UUS Division Leader in charge of Financing (for collectibility 1 and 2) Head of Proposing Branch or Booking Office 	Division Leader in charge of Financing Risk	Head of Sub Division in charge of Financing Administration
		A3.2	<ol style="list-style-type: none"> SEVP UUS Division Leader in charge of Financing Rescue (for collectibility 3, 4 and 5) Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> Director in charge of Financing Risk Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration

5. Membership Structure of the Credit Settlement Committee

Category	Financing Rescue Committee	Business Function Group	Business Risk Function Group	Supporting Business Function Group	
A	BOARD OF DIRECTORS	A1	<ol style="list-style-type: none"> President director 2 (two) Directors in charge of credit business Division Leader in charge of Credit Settlement Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> Director in charge of Credit Risk Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration
		A2	<ol style="list-style-type: none"> 2 (two) Directors in charge of credit business Division Leader in charge of Credit Settlement Head of Proposing Branch or Booking Office 4 and 5) Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> Director in charge of Credit Risk Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration

Category	Financing Rescue Committee		Business Function Group	Business Risk Function Group	Supporting Business Function Group
	BOARD OF DIRECTORS	A3.1	<ol style="list-style-type: none"> 1. Director in charge of Credit Settlement 2. Division Leader in charge of Credit Settlement 3. Head of Proposing Branch or Booking Office 	Division Leader in charge of Credit Risk	Division Leader in charge of Credit Risk Administration

6. Membership Structure of the Financing Settlement Committee

Category	Financing Rescue Committee		Business Function Group	Business Risk Function Group	Supporting Business Function Group
A	BOARD OF DIRECTORS	A1	<ol style="list-style-type: none"> 1. President director 2. Director in charge of Finance 3. Director in charge of credit 4. SEVP UUS 5. Division Leader in charge of Financing Settlement 6. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Financing Risk 2. Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration
		A2	<ol style="list-style-type: none"> 1. Director in charge of Finance 2. Director in charge of credit 3. SEVP UUS 4. Division Leader in charge of Financing Settlement 5. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Financing Risk 2. Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration
		A3	<ol style="list-style-type: none"> 1. SEVP UUS 2. Division Leader in charge of Financing (for collectibility 1 and 2) 3. Head of Proposing Branch or Booking Office 	<ol style="list-style-type: none"> 1. Director in charge of Financing Risk 2. Division Leader in charge of Financing Risk 	Head of Sub Division in charge of Financing Administration

7. Membership Structure of the Credit Line Committee to Corporations

Category	Financing Rescue Committee		Business Function Group	Business Risk Function Group	Supporting Business Function Group
A	BOARD OF DIRECTORS	A1	<ol style="list-style-type: none"> 1. President director 2. Director in charge of Treasury 3. Director in charge of corporate credit business 4. Treasury Division Leader 5. Division Leader in charge of Corporate 	<ol style="list-style-type: none"> 1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration
		A2	<ol style="list-style-type: none"> 1. Director in charge of Treasury 2. Director in charge of corporate credit business 3. Treasury Division Leader 4. Division Leader in charge of Corporate 	<ol style="list-style-type: none"> 1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk 	Division Leader in charge of Credit Administration
		A3	<ol style="list-style-type: none"> 1. Director in charge of Treasury 2. Treasury Division Leader 3. Division Leader in charge of Corporate 	Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration

8. Membership Structure of the Term Loan Facility (TLF) Committee

Category i	Financing Rescue Committee		Business Function Group	Business Risk Function Group	Supporting Business Function Group
A	BOARD OF DIRECTORS	A1	1. President director 2. Director in charge of Treasury 3. Director in charge of corporate credit business 4. Treasury Division Leader	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration
		A2	1. Director in charge of Treasury 2. Director in charge of corporate credit business 3. Treasury Division Leader	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration
		A3	1. Director in charge of Treasury 2. Treasury Division Leader	Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration

9. Membership Structure of the Write-Off Committee

Category	Komite		Business Function Group	Business Risk Function Group	Supporting Business Function Group
A	BOARD OF DIRECTORS	A1	1. President director 2. 2 (two) Directors in charge of Credit 3. Division Leader in charge of Write Off Credit Book	Director in charge of Credit Risk	Head of Management Sub Division Delete Book
		A2	1. 2 (two) Directors in charge of Credit 2. Division Leader in charge of Erase of Credit Books	Director in charge of Credit Risk	Head of Management Sub Division Delete Book
		A3	Division leader in charge of Write Off Credit Book	Director in charge of Credit Risk	Head of Management Sub Division Delete Book

10. Membership Structure of the Committee to Delete the Financing Book

Category	Committee		Business Function Group	Business Risk Function Group	Supporting Business Function Group
A	BOARD OF DIRECTORS	A1	1. President director 2. Director in Charge of Financing 3. Director in charge of credit 4. SEVP UUS 5. Director in charge of Delete Financing Book	Director in charge of Financing Risk	Head of Management Sub Division Delete Book
		A2	1. Director in charge of Finance 2. Director in charge of Credit 3. SEVP UUS 4. Director in charge of Delete Financing Book	Director in charge of Financing Risk	Head of Management Sub Division Delete Book
		A3	1. SEVP UUS 2. Director in charge of Delete Financing Book	Director in charge of Financing Risk	Head of Management Sub Division Delete Book

11. Membership of the Credit and Financing Committee

Position	Accorded by	Work Relationship Interaction
Credit/Financing Officer	Business Function Group	Perform credit/financing analysis, credit/financing proposals and provide voting rights in the credit decision process
	Business Risk Function Group	Conduct risk analysis and/or risk opinion according to the field and provide voting rights in the credit decision process
Non-Credit/Financing Officials (Non PPK/P)	Supporting Business Function Group	Give opinions according to their fields and do not have voting rights in the credit decision process

DUTIES, AUTHORITIES & RESPONSIBILITIES OF THE CREDIT AND FINANCING COMMITTEE

- a. Provide direction if necessary to conduct a more in-depth and comprehensive credit analysis (review of the credit analysis memorandum);
- b. Provide a decision or recommendation on the draft credit decision submitted by the recommendation provider/proposer which is related but not limited to:
 - 1) Large debtors
 - 2) Industry specific
- c. Coordinate with the Asset & Liabilities Committee (ALCO) in terms of credit funding aspects and credit interest rate adjustments if necessary;
- d. Give approval or credit rejection of the proposed credit facility in accordance with the credit limit set by the Board of Directors;
- e. Give approval or rejection of rescue and settlement of credit/financing by the credit authority limit set by the Board of Directors;

- f. Give approval or refusal to write off credit/financing books following the credit authority limit set by the Board of Directors;
- g. Give approval or rejection of Credit Line or Term Loan (TLF) under the credit authority limit set by the Board of Directors;
- h. Establish credit plans, both restructured and unstructured from other financial institutions.

CREDIT COMMITTEE MEMBER PROFILE

Profiles of Credit Committee Members can be seen in the Profile of the Board of Directors and Profile of Division Leaders in the Company Profile Chapter of this Annual Report.

STATEMENT OF INDEPENDENCE OF THE CREDIT COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF THE TASKS OF THE CREDIT COMMITTEE**1. Credit Implementation Committee Implementation Achievements**

No.	Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
1.	05/01/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
2.	17/02/2021	Credit Implementation	Commercial, Corporate and Syndicated Business Risk	Approved	100%
3.	09/03/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
4.	17/03/2021	Credit Implementation	Commercial, Corporate and Syndicated Business Risk	Approved	100%
5.	30/03/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
6.	20/04/2021	Credit Implementation	Commercial, Corporate and Syndicated Business Risk	Approved	100%
7.	28/04/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
8.	20/05/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
9.	14/06/2021	Credit Implementation	Commercial, Corporate and Syndicated Business Risk	Approved	100%
10.	14/06/2021	Credit Implementation	Commercial, Corporate and Syndicated Business Risk	Approved	100%
11.	14/06/2021	Credit Implementation	Commercial, Corporate and Syndicated Business Risk	Approved	100%
12.	28/06/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
13.	28/06/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
14.	28/06/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
15.	28/06/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
16.	28/06/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
17.	19/07/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
18.	29/07/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
19.	29/07/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
20.	29/07/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
21.	29/07/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%

No.	Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
22.	29/07/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
23.	29/07/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
24.	30/07/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
25.	30/07/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
26.	30/07/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
27.	06/08/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
28.	06/08/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
29.	06/08/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
30.	16/08/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
31.	26/08/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
32.	26/08/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
33.	26/08/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
34.	26/08/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
35.	26/08/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
36.	09/09/2021	Credit Implementation	Retail Microcredit and Programs, Business Risk	Approved	100%
37.	10/10/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
38.	10/10/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
39.	11/10/2021	Credit Implementation	Commercial, Corporate and Syndicated	Approved	100%
40.	15/10/2021	Credit Implementation	Retail Microcredit and Programs	Approved	100%
41.	03/11/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
42.	03/11/2021	Credit Implementation	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
43.	18/11/2021	Credit Implementation	Retail Microcredit and Programs, Business Risk	Approved	100%
44.	09/12/2021	Credit Implementation	Retail Microcredit and Programs, Business Risk	Approved	100%
45.	29/12/2021	Credit Implementation	Retail Microcredit and Programs, Business Risk	Approved	100%

2. Implementation Achievement of the Financing Implementation Committee

No.	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
1.	02/08/2021	Financing Implementation	Sharia Business	Approved	100%
2.	12/08/2021	Financing Implementation	Sharia Business	Approved	100%
3.	03/11/2021	Financing Implementation	Sharia Business	Approved	100%

3. Credit Rescue Committee Implementation Achievements

No.	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
1.	17/02/2021	Credit Rescue	Commercial, Corporate and Syndicated	Approved	100%
2.	20/04/2021	Credit Rescue	Retail and Program Microcredit, Corporate and Syndicated Commercial, Business Risk	Approved	100%
3.	19/07/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
4.	30/07/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
5.	30/07/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
6.	30/07/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
7.	06/08/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
8.	06/08/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
9.	06/08/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
10.	25/08/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
11.	25/08/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
12.	25/08/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
13.	26/08/2021	Credit Rescue	Retail and Program Microcredit, Corporate and Syndicated Commercial, Business Risk	Approved	100%
14.	26/08/2021	Credit Rescue	Retail and Program Microcredit, Corporate and Syndicated Commercial, Business Risk	Approved	100%
15.	26/08/2021	Credit Rescue	Retail and Program Microcredit, Corporate and Syndicated Commercial, Business Risk	Approved	100%
16.	06/09/2021	Credit Rescue	Commercial, Corporate and Syndicated, Business Risk	Approved	100%
17.	15/10/2021	Credit Rescue	Retail Microcredit and Programs	Approved	100%

4. Achievement of the Financing Rescue Committee Implementation

No.	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
1.	20/05/2021	Financing Rescue	Sharia Business, Corporate and Syndicated Commercial Loans	Approved	100%
2.	28/06/2021	Financing Rescue	Sharia Business Division	Approved	100%
3.	25/08/2021	Financing Rescue	Sharia Business, Corporate and Syndicated Commercial Loans	Approved	100%
4.	30/11/2021	Financing Rescue	Sharia Business Division	Approved	100%
5.	30/12/2021	Financing Rescue	Sharia Business, Corporate and Syndicated Commercial Loans	Approved	100%

5. Achievements in the Implementation of the Credit Settlement Committee

No.	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
1.	30/07/2021	Credit Settlement	Credit Rescue and Settlement, Business Risk	Approved	100%
2.	30/07/2021	Credit Settlement	Credit Rescue and Settlement, Business Risk	Approved	100%

No.	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
3.	06/09/2021	Credit Settlement	Retail and Program Microcredit, Business Risk, Credit Rescue and Settlement	Approved	100%
4.	06/09/2021	Credit Settlement	Retail and Program Microcredit, Business Risk, Credit Rescue and Settlement	Approved	100%

Credit Policy Committee

Credit Policy Committee, hereinafter abbreviated as KKP, is a committee formed by the Board of Directors in the framework of credit policy management that aims to support the provision of sound credit and contains elements of internal control from the initial stage of the credit activity process to the credit monitoring stage by observing the principle of prudence.

This committee was formed with the aim of supporting sound lending and monitoring from the initial submission process to implementation using the precautionary principle. In the Credit Policy can be divided into 2 namely:

- Credit Policy Committee
- Financing Policy Committee

STRUCTURE AND MEMBERSHIP OF CREDIT POLICY COMMITTEE

Position	Accorded by	Voting Rights Status
Chairman	President director	Have voting rights
Interim Head of Committee	<ul style="list-style-type: none"> Commercial and Corporate Director, or Director of Consumer Retail & Sharia Business 	Have voting rights
Secretary	Operations Division	Have no voting rights
Permanent member	<p>A. Board of Director</p> <ol style="list-style-type: none"> Director of Consumer, Retail & Sharia Business Director of Finance Director of IT & Operations Director of Business Risk. <p>B. Division:</p> <ol style="list-style-type: none"> Business Risk Division Commercial, Corporate & Syndication Division Consumer Credit Division Microcredit, Retail & Performance Management Division Strategic Planning & Performance Management Division Treasury Division Credit Rescue & Settlement Division 	Have voting rights
Non-Permanent Member	<p>A. Board of Director</p> <p>Director of Compliance & Risk Management</p> <p>B. Division</p> <ol style="list-style-type: none"> Compliance and Governance Division Internal Audit Division Legal Division Human Capital Division Corporate Risk Management Division 	Have no voting rights

DUTIES, AUTHORITY, AND RESPONSIBILITIES OF CREDIT POLICY COMMITTEE

- Provide input to the Board of Directors in the preparation of Credit or Financing KPAs, especially those relating to the formulation of prudential principles in credit or financing;
- Supervise that KPA Credit or Financing can be implemented and implemented consistently and consistently and formulate solutions if there are obstacles or obstacles in the application of KPA Credit or Financing;
- Conduct periodic reviews of the Credit or Financing KPA and provide advice to the Board of Directors if changes or improvements are needed to the Credit or Financing KPA;
- Monitor and evaluate the development and quality of the overall credit or financing portfolio;
- Monitor and evaluate the correctness of the implementation of the authority to decide on credit or financing;
- Monitor and evaluate the correctness of the process of granting, development, and quality of credit or financing provided to parties related to the Bank and specific large debtors;
- Monitor and evaluate the correctness of the implementation of the LLL provisions;
- Monitor and evaluate compliance with the provisions of laws and regulations and other regulations in the implementation of lending or financing;
- Memantau dan mengevaluasi kebijakan penyelesaian kredit atau pembiayaan bermasalah sesuai dengan yang ditetapkan dalam KPA Perkreditan atau Pembiayaan;

9. Monitor and evaluate non-performing credit or financing settlement policies under those stipulated in the Credit or Financing KPA;
10. Monitor and evaluate bank efforts in meeting the adequacy of the allowance for credit or financing losses;
11. Discuss and determine and evaluate policies related to credit or financing business strategies for both the retail and corporate segments;
12. Lead and direct the work of the Team and be responsible for the performance of the Team.

Responsibility:

1. Submit periodic written reports to the Board of Directors with a copy to the Board of Commissioners regarding:
 - a. Results of supervision over the implementation and implementation of KPA Credit or Financing; and
 - b. The results of monitoring and evaluation as stipulated in the duties and authorities of the Credit or Financing Policy Committee.
2. Provide suggestions for improvement measures to the Board of Directors with a copy to the Board of Commissioners related to the report as above.

PROFILE OF MEMBERS OF THE CREDIT POLICY COMMITTEE

Profiles of Credit Policy Committee Members can be seen in the Profiles of the Directors and Division Leaders in the Company Profile Chapter in this Annual Report.

STATEMENT OF INDEPENDENCE OF THE CREDIT POLICY COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF THE TASKS OF THE CREDIT POLICY COMMITTEE

During 2021 the Credit Policy Committee has carried out its duties and responsibilities, namely updating the SOP for the Credit Policy Committee which regulates the structure and membership, duties and responsibilities as well as other provisions.

Product, Network, and Procedure Committee

PRODUCT, NETWORK, AND PROCEDURE COMMITTEE FOR PRODUCTS

The Product, Network, and Procedure (PJP) for Product Committee is a committee formed by the Board of Directors to take steps to develop products/activities in both the retail and corporate segments that can improve the Bank's ability to compete and develop in the banking industry.

The purpose of establishing the PJP Product Sector Committee is to manage policies and monitor products to ensure success in developing and evaluating products on target in accordance with the Bank's business plan.

STRUCTURE AND MEMBERSHIP OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE FOR PRODUCT

Position	Accorded by	Voting Rights Status
Chairman	Funds & Credit Corporate and Syndicated Commercial Director	Have voting rights
Secretary	Fund - Funds & Services Division Leader Credit - Leader of Commercial, Corporate & Syndicated Credit Division	Have no voting rights
members	Funds and Credit - Director of Consumer Retail & Sharia Business - Director of Finance - Director of IT & Operations - Head of Corporate Risk Management Division - Leader of Information Technology Division - Head of Compliance & Governance Division	Have voting rights
Invitation	- Division leader of the business group regarding the discussion material - Division leader of the business support group regarding the discussion material - Branch leaders and external parties if needed	Have no voting rights

DUTIES, AUTHORITY, AND RESPONSIBILITIES OF PRODUCT, NETWORK AND PROCEDURE COMMITTEE FOR PRODUCT

1. Discussing, determining, and evaluating business strategies through products/activities in retail and corporate segments.
2. Discuss and determine integrated business development, including product development, business processes, tariffs, infrastructure, and business support technology through comprehensive testing.
3. Monitor the results of business strategy performance and make decisions on the sustainability of products/activities on the recommendation of the Initiator/Product Owner.
4. Carry out their duties, especially concerning product/activity development, in a professional, optimal, accurate, safe, and competitive manner.
5. Ensure that product/activity development and its policies are under the established business strategy.

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.

STATEMENT OF INDEPENDENCE OF THE PRODUCT COMMITTEE, NETWORK AND PROCEDURES FOR THE PRODUCT FIELD

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF THE DUTIES OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE

Committee	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
#01. 21 May 2021	<ul style="list-style-type: none"> Proposed Addition of CMS Activities and SOPs for Laku Pandai & Si Pandai iB Barokah Savings 	<ul style="list-style-type: none"> SEVP Sharia Business Unit 	1	Approved in Committee Meeting	100%
#01. 21 June 2021	<ul style="list-style-type: none"> SOP for Pension and Insurance Payments of PT Asabri (Persero) 	<ul style="list-style-type: none"> Service Fund Division 	1	Approved in Committee Meeting	90%

PRODUCT, NETWORK, AND PROCEDURE COMMITTEE FOR NETWORK

The Product, Network, and Procedure (PJP) for Network Committee acts as a compiler for the implementation of development, status changes and/or network closures as well as determining the class of branches and sub-branches in network classification.

The PJP Network Sector Committee functions as a forum for policy management and monitoring effectiveness of the Bank's network to ensure success in creating optimal profits.

STRUCTURE AND MEMBERSHIP OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE FOR NETWORK

Position	Accorded by	Voting Rights Status
Chairman	Director of Finance	Have voting rights
Interim Head of Committee	Director of IT and Operation	Have voting rights
Secretary	Head of Strategic Planning and Performance Management Division	Have voting rights
Permanent member	<ul style="list-style-type: none"> Director of Compliance and Risk Management SEVP Strategic Planning & Branch Development Head of General Division Head of the Human Capital Division Head of Financial Control Division Head of Operations Division Head of Funds and Services Division Leader of Information Technology Division Head of Corporate Risk Management Division Head of Compliance and Governance Division Head of the Legal Division SEVP of Sharia Business Unit Head of the Sharia Business Division 	Have voting rights and can be represented
Invitation	Relevant Branch Manager (if required)	Have no voting rights

DUTIES, AUTHORITY, AND RESPONSIBILITIES OF PRODUCT, NETWORK AND PROCEDURE COMMITTEE FOR NETWORK

- Develop policies and strategies for network development that are tailored to the needs and provide direction for optimization and effectiveness of network performance;
- Directing and evaluating the network development strategy;
- Provide opinions or the latest issues regarding network development;
- Monitor evaluation results and proposed changes in status and/or closure of office networks;
- Provide recommendations:
 - types of networks eligible to open;
 - withdrawal/transfer of human capital on plans for downgrading and/or closing office networks;
 - readiness/availability of filling and placement of human capital in the office network development plan.
- Monitor the results of network performance optimization;
- Monitor the results of evaluating changes in the class of branches and sub-branches in the network classification;
- 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
17. Responsible for the implementation of the network development strategy

18. Accountable for optimizing network performance
19. Responsible for network classification implementation

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.

STATEMENT OF INDEPENDENCE OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which may affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

IMPLEMENTATION OF DUTIES OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE FOR NETWORK

No	PJP Committee	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
1	Network Products & Procedures Committee (Network Area) #1 06 January 2021 RR No.060/002/KPJ/RR	The plan to relocate the Sharia Head Office and Surabaya Sharia Branch	Strategic Planning & Performance Management Division	1 (one)	Approved in Committee Meeting	100%
2	Network Products & Procedures Committee (Network Area) #2 February 22, 2021 RR No.060/011.1/KPJ/RR	Evaluation of Branch Class PT Bank Pembangunan Daerah Jawa Timur Tbk	Strategic Planning & Performance Management Division	1 (one)	Approved in Committee Meeting	100%
3	Network Products & Procedures Committee (Network Area) #3 March 24, 2021 RR No.060/014/KPJ/RR	<ol style="list-style-type: none"> 1. Changes in the location of the planned relocation of KCP Maesan, Bondowoso Branch 2. Relocation of Tambakboyo ATM Tuban Branch 3. Relocation of PP Semanding to the Public Service Mall of Tuban Branch 4. Opening of UPT PTKS ATM Malang Branch 5. Opening of Pare Branch Regency Government CRM 6. Opening PP and ATM Bhayangkara Hospital Tulungagung Branch 7. Opening of Gondangwetan ATM Pasuruan Branch 8. Opening of Wonorejo ATM Pasuruan Branch 9. Opening of Sukorejo ATM Pasuruan Branch 10. Gempol gas station ATM relocation to SMPN 1 Beji Pasuruan Branch 11. Relocation of PIER ATM to Grati Hospital Pasuruan Branch 	Strategic Planning & Performance Management Division	11 (eleven)	Approved in Committee Meeting	100%
4	Network Products & Procedures Committee (Network Area) #4 May 31, 2021 RR No.060/021/KPJ/RR	<ol style="list-style-type: none"> 1. Opening of Gading Cash Office Kraksaan Branch 2. Opening of Tosari ATM Pasuruan Branch 	Strategic Planning & Performance Management Division	2 (two)	Approved in Committee Meeting	100%

No	PJP Committee	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
5	Network Products & Procedures Committee (Network Area) #5 June 29, 2021 RR No.060/024.1/KPJ/RR	<ol style="list-style-type: none"> 1. Relocation of KCP Pasar Baru Probolinggo 2. UNIJA ATM relocation to Kec. Bluto Sumenep Branch 3. Submission of new ATMs at Korpri Mart and POM Kotakan Situbondo Branch 4. Relocation of ATM Manyar Branch Gresik 5. Relocation of PP of the Investment Office of the Kepanjen Branch 6. Submission of a new ATM at T3 Soetta Airport Jakarta Branch 7. Relocation of Bangilan ATM Tuban Branch 8. Network Data Repair 9. New Balikpapan Branch Opening 10. Makassar Branch New Opening 	Strategic Planning & Performance Management Division	10 (ten)	Approved in Committee Meeting	100%
6	Network Products & Procedures Committee (Network Area) #6 November 17, 2021 RR No.060/041/KPJ/RR	Recording of the network of Cash Offices, Payment Points and Mobile Cash in accordance with the OJK Letter on Procedures for Reporting APOLO-Office Networks in accordance with POJK No.12/POJK.03/2021 dated November 04, 2021	Strategic Planning & Performance Management Division	1 (one)	Approved in Committee Meeting	100%
7	Network Products & Procedures Committee (Network Area) #7 23 December 2021 RR No.060/097/KPJ/RR	<ol style="list-style-type: none"> 1. Opening of KF Suboh Situbondo 2. Opening of KF Kapongan Situbondo Branch 3. Opening of KF Gapura Branch Sumenep 4. Opening of KF Unisma Syariah Branch Malang 5. Opening of KF Foundation Bhakti Perwanida Blitar Sharia Branch Kediri 6. Upgrading the status of KF Lenteng to KCP Sumenep Branch 7. Upgrading the status of KF Jetis to KCP Mojokerto Branch 8. Upgraded KF status to KCP Ngoro Mojokerto Branch 9. Upgraded KF Dander status to KCP Bojonegoro Branch 10. Relocation of KCP Gambiran Branch Banyuwangi 11. Relocation of KCP Tongas Probolinggo Branch 12. Relocation of KCP Jiwani Madiun Branch 13. Relocation of KCP Mantingan Branch Ngawi 14. Relocation of KCP Krian Branch Sidoarjo 15. Relocation of KCP Tangerang Branch Jakarta 16. Relocation of North Surabaya KCPS Surabaya Sharia Branch 	Strategic Planning & Performance Management Division	16 (sixteen)	Approved in Committee Meeting	100%

PRODUCT, NETWORK AND PROCEDURE COMMITTEE (PJP) FOR PROCEDURE

The PJP Committee for Procedure is a committee formed by the Board of Directors to evaluate and recommend the issuance or updating of Bank Policies and Procedures so that the Company Manual (BPP) which is used as a company work guideline does not deviate and is in accordance with the provisions.

The purpose of the establishment of the PJP Committee for Procedure is to provide input and approve proposals for issuance or review of company work guidelines in accordance with applicable laws and regulations, the Bank's internal policies and the principles of good corporate governance.

STRUCTURE AND MEMBERSHIP OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE FOR PROCEDURES**Committee A1**

Position	Accorded by	Voting Rights Status
Chairman	Director of the field according to the discussion of the material	Have Voting Rights
Secretary	Head of Compliance & Governance Division	Have Voting Rights
Permanent Member of the Committee	<ul style="list-style-type: none"> Head of the Legal Division Head of Corporate Risk Management Division Division Leader according to the material discussion 	Have Voting Rights
Non-Permanent Member of the Committee	<ul style="list-style-type: none"> Head of Internal Audit Division Division Leader of the business group regarding the discussion of the material Division leader of business support groups regarding material discussion 	Have Voting Rights
Invitation	<ul style="list-style-type: none"> Director of Compliance & Risk Management Branch Manager, if required External Parties, if necessary 	Have Voting Rights

Committee A2

Position	Accorded by	Voting Rights Status
Chairman	Director of Compliance and Risk Management	Have Voting Rights
Secretary	Head of Compliance & Governance Division	Have Voting Rights
Permanent Member of the Committee	<ul style="list-style-type: none"> Head of the Legal Division Head of Corporate Risk Management Division Division Leader according to the material discussion 	Have Voting Rights
Non-Permanent Member of the Committee	<ul style="list-style-type: none"> Head of Internal Audit Division Division Leader of the business group regarding the discussion of the material Division leader of business support groups regarding material discussion 	Do not have voting rights
Invitation	<ul style="list-style-type: none"> Director of Information Technology & Operations or Director related to material discussion Branch Manager, if required External Parties, if necessary 	Do not have voting rights

DESCRIPTION OF DUTIES AND RESPONSIBILITIES OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE

Duties and Authorities of the PJP Committee for Procedures include:

- 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.
- Determine the issuance or update of the Bank's Policy and Procedure Book that is used as a company work guideline.

The responsibilities of the PJP Committee for Procedure are:

- Carry out their duties, especially concerning the issuance or updating of Bank policies and procedures;
- Ensuring that the Bank's policies and procedures used as the Company's work guidelines are under the applicable laws and regulations, the Bank's internal policies, and the principles of good corporate governance.

PROFILE OF MEMBERS OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE

Profiles of Product, Network and Procedure Committee Members in the Procedures Division can be seen in the Profile of the Board of Directors and Profile of Division Leaders in the Company Profile Chapter of this Annual Report.

STATEMENT OF INDEPENDENCE OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE FIELD OF PROCEDURES

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF THE DUTIES OF THE PRODUCT, NETWORK AND PROCEDURE COMMITTEE

No	PJP Committee	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
1	#01. 04 Jan 21	<ul style="list-style-type: none"> Changes to Treasury Policy BPP Changes in BPP ALMA (Banking Book) SOP Term Loan Facility (TLF) BPP Corporate Culture BPP Business Ethics Behavior Changes in BPP for Micro, Retail & Linkage Credit Schemes for Credit Segmentation (Program Credit: People's Business Credit) 	<ul style="list-style-type: none"> Treasury Division Strategic Planning & Performance Management Division Microcredit, retail & Programs Division 	6	Approved by the PJP Forum for Procedures	100%

No	PJP Committee	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
2	#02. 14 Jan 21	<ul style="list-style-type: none"> Service Standard SOP Changes 	<ul style="list-style-type: none"> Operations Division 	1	Approved by the PJP Forum for Procedures	100%
3	#03. 29 Jan 21	<ul style="list-style-type: none"> Changes in BPP Credit Linkage SOP for Linkage Loans through Amarthia Micro Fintek Linkage Loans 	<ul style="list-style-type: none"> Microcredit, Retail & Programs Division 	2	Approved by the PJP Forum for Procedures	100%
4	#04. 03 Feb 21	<ul style="list-style-type: none"> Changes in Stimulus BPP for Debtors Affected by COVID-19 Changes in BPP Credit Rescue & Settlement 	<ul style="list-style-type: none"> Credit Rescue and Settlement Division 	4	Approved by the PJP Forum for Procedures	75%
5	#05. 16 Feb 21	<ul style="list-style-type: none"> BPP Credit and Financing Committee 	<ul style="list-style-type: none"> Operations Division 	1	Approved by the PJP Forum for Procedures	100%
6	#06. 17 Feb 21	<ul style="list-style-type: none"> Changes in BPP Cooperation Plans for Conventional Divisions and Branches Changes in BPP Mechanism for Appointment and Use of Partner Notary Services 	<ul style="list-style-type: none"> Legal Division 	2	Approved by the PJP Forum for Procedures	100%
7	#07. 17 Mar 21	<ul style="list-style-type: none"> Multipurpose Credit SOP SOP Cash Collateral Credit KKB Credit SOP Changes in BPP Credit Program Chapter X People's Business Credit Changes in BPP Giro iB Amanah Changes to BPP BI-SSSS Changes to BI-ETP BPP 	<ul style="list-style-type: none"> Consumer Credit Division Microcredit, Retail & Programs Division Sharia SEVP 	7	Approved by the PJP Forum for Procedures	100%
8	#08. 06 May 21	<ul style="list-style-type: none"> Changes to related Financial Institution SOPs: <ol style="list-style-type: none"> Mechanism adjustment/change Trade Finance transaction facility limit; Mechanism adjustment/change securities company appraisal; Facility limit application procedure purchase of securities that issued by Non . Corporation Financial Services Institution 	<ul style="list-style-type: none"> Treasury Division 	1	Approved by the PJP Forum for Procedures	100%
9	#09. 25 May 21	<ul style="list-style-type: none"> Changes in BPP for Foreign Exchange Transfers (Forex Remittance) Changes to the SOP for Forex Reporting APEX SOP Changes Changes to the BPP for JETS Operators Changes in BPP for Foreign Exchange Transfers (Forex Remittance) Changes to the SOP for Forex Reporting APEX SOP Changes Changes to the BPP for JETS Operators 	<ul style="list-style-type: none"> Operations Division 	4	Approved by the PJP Forum for Procedures	100%
10	#10. 10 Jun 21	<ul style="list-style-type: none"> SOP for Savings Program iB Barokah Sejahtera Changes to Micro, Retail, Linkage & Program SOPs 	<ul style="list-style-type: none"> Sharia SEVP Microcredit, Retail & Programs Division 	2	Approved by the PJP Forum for Procedures	100%
11	#11. 30 Jun 21	<ul style="list-style-type: none"> COVID-19 Stimulus SOP Changes 	<ul style="list-style-type: none"> Credit Rescue and Settlement Division 	1	Approved by the PJP Forum for Procedures	100%
12	#12. 21 Jul 21	<ul style="list-style-type: none"> Changes in SOP for Retail Loans, Micro Loans & People's Business Loans 	<ul style="list-style-type: none"> Microcredit, Retail & Programs Division 	1	Approved by the PJP Forum for Procedures	100%

No	PJP Committee	Agenda	Initiator Division	Number of Agenda	Committee Results	Attendance
13	#13. 23 Jul 21	<ul style="list-style-type: none"> Organizational Structure Evaluation SOP 	<ul style="list-style-type: none"> Strategic Planning & Performance Management Division 	1	Approved by the PJP Forum for Procedures	100%
14	#14. 30 Jul 21	<ul style="list-style-type: none"> Changes to Consumer Loan SOP Changes to iB Barokah Multipurpose Financing SOP 	<ul style="list-style-type: none"> Consumer Credit Division Sharia SEVP 	2	Approved by the PJP Forum for Procedures	75%
15	#15. 04 Agt 21	<ul style="list-style-type: none"> SOP for Cooperation Plans for Divisions & Branches 	<ul style="list-style-type: none"> Legal Division 	1	Approved by the PJP Forum for Procedures	100%
16	#16. 10 Agt 21	<ul style="list-style-type: none"> Changes to BPP Reward & Punishment System 	<ul style="list-style-type: none"> Human Capital Division 	1	Approved by the PJP Forum for Procedures	100%
17	#17. 09 Sep 21	<ul style="list-style-type: none"> Changes in BPP for the Procurement of Goods & Services 	<ul style="list-style-type: none"> General Division 	1	Approved by the PJP Forum for Procedures	100%
18	#18. 21 Sep 21	<ul style="list-style-type: none"> Job Outsourcing SOP SOP for Marriage with Employees Postgraduate Scholarship Program SOP SOP Virtual Account 	<ul style="list-style-type: none"> Human Capital Division Funds & Services Division 	4	The SOP for the Postgraduate Scholarship Program has not been approved by the PJP Forum for Procedures	100%
19	#19. 05 Oct 21	<ul style="list-style-type: none"> Multipurpose Credit SOP Employee Loan SOP Fintech Linkage Credit SOP 	<ul style="list-style-type: none"> Consumer Credit Division 	3	Approved by the PJP Forum for Procedures	100%
20	#20. 28 Oct 21	<ul style="list-style-type: none"> Amendment to the Decree of the Board of Directors Number 046/042/KEP/DIR/UM dated April 1, 2008 concerning Standardization of Official Vehicles, Operational Vehicles, and Guest Vehicles of PT Bank Pembangunan Daerah Jawa Timur Tbk (Vehicle Standardization SOP) LHKPN SOP 	<ul style="list-style-type: none"> General Division Compliance & Governance Division 	2	Approved by the PJP Forum for Procedures	75%
21	#21. 26 Nov 21	<ul style="list-style-type: none"> Changes to the Gold Guarantee Credit SOP Changes to Motor Vehicle Loan SOPs Changes to Multipurpose Credit SOP SOP for Financing for Halal Industrial Estates SOP for Factoring Receivables iB Barokah 	<ul style="list-style-type: none"> Consumer Credit Division Sharia SEVP 	5	Approved by the PJP Forum for Procedures	100%
22	#22. 29 Nov 21	<ul style="list-style-type: none"> SOP for Disposal of Fixed Assets, Inventory and Other Assets SOP Quality Assurance Operation 	<ul style="list-style-type: none"> General Division Operations Division 	2	Approved by the PJP Forum for Procedures	100%
23	#23. 06 Dec 21	<ul style="list-style-type: none"> COVID-19 Stimulus SOP Changes 	<ul style="list-style-type: none"> Credit Rescue and Settlement Division 	1	Approved by the PJP Forum for Procedures	100%
24	#24. 13 Dec 21	<ul style="list-style-type: none"> Changes to Marriage SOPs for Co-Employees 	<ul style="list-style-type: none"> Human Capital Division 	1	Approved by the PJP Forum for Procedures	100%
25	#25. 24 Dec 21	<ul style="list-style-type: none"> SOP Bank Guarantee Changes to Vehicle Standardization SOP 	<ul style="list-style-type: none"> Commercial, Corporate and Syndicated Loan Division 	2	Approved by the PJP Forum for Procedures	100%
26	#26. 31 Dec 21	<ul style="list-style-type: none"> Repayment Stimulus for Non-Performing Loans/ Financing or Extracomtable Credit or Financing Policy Committee SOP Changes in KUR SOPs, East Java Micro Loans, East Java Retail Loans, Credit to Cooperatives for Its Members (KKPA), KMK RC BPR & BPR Linkage SOP for Short Term Liquidity Loans (PLJP) Bank Indonesia Postgraduate Scholarship Program SOP 	<ul style="list-style-type: none"> Rescue and Credit Settlement Division Operations Division Microcredit, Retail & Programs Division Enterprise Risk Management Division Human Capital Division 	5	Approved by the PJP Forum for Procedures	80%

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
Currently all members of the Board of Commissioners of Bank Jatim are Male. Meanwhile, 4 (four) members of the Board of Directors are male and 1 (one) member of the Board of Directors is female.
4. Age
Members of the Board of Commissioners and Board of Directors have a variety of ages.
5. Independence

Board of Commissioners

 - a. Minimum 50% (fifty percent) of the members of the Board of Commissioners are Independent Commissioners.
 - b. The term of office of an Independent Commissioner is a maximum of 4 (four) years, and can be reappointed with due regard to applicable regulations.

Board of Directors

In accordance with POJK No. 46/POJK.03/2017 Concerning the Implementation of Compliance Functions of Commercial Banks, Bank Jatim has a Director who is in charge of the Compliance Function, namely the Compliance Director and Risk Management as a Director who meets the independence requirements.

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	63 years old	Man	<ul style="list-style-type: none"> • Bachelor of Accounting ; • Master in Management ; • Doctor of Administrative Sciences. 	Has work experience in government and banking.	Accounting, Management and Administrative Sciences
Rudi Purwono*	Independent Commissioner	62 years old	Man	<ul style="list-style-type: none"> • Bachelor of Economics • Master of Economics, University of Indonesia • Doctor of Economics, University of Indonesia 	Has work experience in government and banking.	Economics
Candra Fajri Ananda	Independent Commissioner	57 years old	Man	<ul style="list-style-type: none"> • Bachelor of Economics • Masters (MSc.) • Doctor (Ph.D) 	Has work experience in the fields of government, education and banking.	Economics
Muhammad Mas'ud	Independent Commissioner	57 years old	Man	<ul style="list-style-type: none"> • Bachelor of Public Administration • Master in Management • Doctor of International Politics 	Have work experience in the field of government and education.	Administration, Management, International Politics
Budi Setiawan*	Commissioner	63 years old	Man	<ul style="list-style-type: none"> • Bachelor of Engineering • Master in Management • Doctor of Economics 	Have work experience in the government sector.	Economics, Management
Heru Tjahjono	Commissioner	60 years	Man	<ul style="list-style-type: none"> • Bachelor of Engineering • Master in Management • Doctor of Environment and Development 	Have work experience in the government sector.	Management, Environment and Development

* Stopped serving since the end of the Annual General Meeting of Shareholders on May 3, 2021.

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	57 years old	Man	<ul style="list-style-type: none"> Bachelor in Accounting Economics; Master in Management; Accountant Profession. 	Have work experience in the banking sector.	Management, Accounting
Rizyana Mirda	Director of Business Risk	52 years old	Woman	<ul style="list-style-type: none"> Bachelor in Financial Economics; Bachelor in Business Administration; Master in Finance. 	Have work experience in the banking sector.	Business Administration, Finance
Tonny Prasetyo	Director of IT and Operation	52 years old	Man	<ul style="list-style-type: none"> Bachelor in Agriculture; Master in Management.. 	Have work experience in the banking sector.	Management
Ferdian Timur Satyagraha	Director of Finance	39 years old	Man	<ul style="list-style-type: none"> Foundation Degree; Bachelor of Commerce; Master of Commerce. 	Have work experience in the banking sector.	Finance
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	59 years old	Man	<ul style="list-style-type: none"> Bachelor in Accounting Economics; Master in Management. 	Have work experience in the banking sector.	Accounting, Management

Nomination and Remuneration of the Board of Commissioners and Board of Directors

Board of Commissioners and Board of Directors Nomination Procedures

In the nomination process for the Board of Commissioners and the Board of Directors of Bank Jatim, policies related to the selection/replacement of members of the Board of Commissioners and Directors had been formulated, namely the System and Procedure for the Selection and/or Substitution of Members of the Board of Commissioners and Directors. This policy was prepared and adjusted based on regulations related to the Company including POJK No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies and other related regulations regarding procedures for selecting/replacing members of the Board of Commissioners/Directors.

The purpose of formulating this policy on the selection and/or replacement of members of the Board of Commissioners and the Board of Directors was to serve as a guide in the process of selecting/replacing members of the Board of Commissioners in accordance with applicable regulations, as well as to ensure the implementation of good corporate governance in every process of nomination/election of members of the Board of Directors Commissioner.

The nomination/election process for the Board of Commissioners and the Board of Directors was proposed to the GMS by considering the recommendations from the Remuneration and Nomination Committee. The stages of the nominations included the following:

1. Announcement of acceptance of vacancies for candidates for members of the Board of Commissioners and/or Directors.
2. Administrative selection.
3. Implementation of the assessment by the appointed Independent institution.
4. Evaluation of assessment results.
5. Final interview.
6. Implementation of the Fit and Proper Test by the Financial Services Authority.
7. Appointment of selected candidates at the GMS.

Remuneration Determination Procedure

- The stages in determining the remuneration of the management can be described as follows:

1

- The Remuneration and Nomination Committee evaluated the remuneration policy in coordination with the Division in charge of Human Resources.

2

- The Remuneration and Nomination Committee submitted the results of the evaluation of remuneration to the Board of Commissioners.

3

- The Board of Commissioners submitted suggestions and recommendations on remuneration for the management to the General Meeting of Shareholders (GMS)

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.

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.

6. Health Facilities/Costs.

7. Other facilities/allowances determined by the Bank as remuneration provided are not related to performance.

2. Variable remuneration consists of:

1. Tantiem.
2. Other facilities/allowances determined by the Bank as remuneration based on performance.

Remuneration Structure of the Board Commissioners and Board of Directors

Remuneration Structure for Members of the Board of Commissioners and the Board of Directors Remuneration for the Board of Commissioners and Directors is provided with due observance to the prevailing remuneration provisions, namely in the form of:

1. Remuneration is permanent in nature, is remuneration that is not related to performance and risks, including salaries/honoraria, housing allowances, communication allowances, holiday allowances, annual leave pay, health facilities, other allowances that are comparable to this.
2. Variable remuneration is remuneration related to performance and risks, including production services, performance bonuses, bonuses or other forms that can be equated with the above. Remuneration in the form of bonuses is given in cash and shares or share instruments issued by Bank Jatim.

Table of Remuneration Structure for the Board of Commissioners and Directors

No	Types of Income	Keterangan	
		Dewan Komisaris	Direksi
1.	Honorarium	<ul style="list-style-type: none"> - President Commissioner 45% of the honorarium of the President Director - Commissioner 90% of the honorarium of the President Commissioner 	<ul style="list-style-type: none"> - President Director 100% - Director 90% of the honorarium of the President Director
2.	Allowance	<ul style="list-style-type: none"> - Holiday allowance 2 (two) times honorarium - Housing Allowance is given on a monthly basis if you do not occupy an official residence - Annual Leave Allowance 1 (one) time honorarium - Communication allowance is given in lump sum every month 	<ul style="list-style-type: none"> - Holiday allowance 2 (two) times honorarium - Housing Allowance is given on a monthly basis if you do not occupy an official residence - Annual Leave Allowance 1 (one) time honorarium - Communication allowance is given in lump sum every month

		- Retirement Award of 38 (thirty eight) times honorarium	- Retirement Award of 48 (forty eight) times honorarium
3.	Facilities	- Official vehicle facilities through the Car Ownership Program (COP)	- Official vehicle facilities through the Car Ownership Program (COP)
		- Inpatient and outpatient health facilities according to internal regulations Number: 059/003/DK/KEP dated 27 April 2020	- Inpatient and outpatient health facilities according to internal regulations Number: 059/003/DK/KEP dated 27 April 2020
		- Legal Aid Facility in accordance with company regulations	- Legal Aid Facility in accordance with company regulations
4.	Bonus & Tantiem	- Bonus is given in cash	- Bonus is given in cash
		- Tantiem is given in cash and in the form of shares issued by Bank Jatim.	- Tantiem is given in cash and in the form of shares issued by Bank Jatim.

Total Nominal/Remuneration Components of Each Board of Commissioners and Directors

Table of Nominal Amount of Remuneration for the Board of Commissioners and Directors

Number of Remuneration and Other Facilities	Amount Received			
	Board of Commissioners		Board of Directors	
	Total Person	Total in (IDR) Million	Total Person	Total in (IDR) Million
Remuneration				
Honorarium	6	2.714	5	7.176
Housing Allowance	6	1.392	5	1.656
Communication Allowance	6	510	5	600
Tantiem	6	15.234	5	22.743
Other Facilities in Kind				
Housing (cannot be owned)	-	-	-	-
COP Program Transport (can be had)	6	1.401	5	1.603
Health (cannot be owned)	6	75	5	1.230
Total Remuneration in 1 Year				
Above IDR 2 billion	6	-	5	-
Above IDR 1 billion to 2 billion	-	-	-	-
Above IDR 500 million to 1 billion	-	-	-	-
IDR 500 million and below	-	-	-	-

Implementation of Governance In Provision of Remuneration For Commercial Banks In Accordance With POJK 45/POJK.03/2015

Basis of Remuneration Determination

The basis for the preparation of the determination of remuneration, namely:

1. Law Number 40 of 2007 dated August 16, 2007 concerning Limited Liability Companies;
2. Financial Services Authority Regulation (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 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:

1. Regarding the mandatory remuneration policy:
 - a. Evaluating the remuneration policy based on performance, risk, fairness and peer group, long-term goals and strategies of the Bank, fulfillment of reserves as stipulated in legislation and potential future bank earnings;
 - b. Delivering evaluation results and recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Directors and the Board of Commissioners to be submitted to the GMS.
 - c. Delivering evaluation results and recommendations to the Board of Commissioners regarding the overall remuneration policy for employees to be submitted to the Board of Directors;
 - d. Ensuring that the remuneration policy is in accordance with applicable regulations;
 - e. Conducting periodic evaluations of the implementation of the remuneration polic.
2. 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.

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.

Name of Extern Consultants and Duties of Consultants Related to Remuneration Policy

In determining the remuneration policy, the Bank cooperates with GML Consulting whose task is to conduct benchmarking and/or Salary Survey in accordance with the Bank's request regarding the remuneration policy.

Remuneration Package and Facilities Received by The Board of Directors and Board of Commissioners

The remuneration package and facilities received by the Board of Directors and the Board of Commissioners have been presented in the Sub-Title of Remuneration of the Board of Commissioners and Directors of the Corporate Governance Chapter in this Annual Report.

Variable Remuneration

Bank Jatim provides variable remuneration in the form of performance bonuses, production services, bonuses and other forms of remuneration that can be equated with this.

Number of Directors, Board of Commissioners and Employees that Receive Variable Remuneration for 1 (One) Year

Position	Total
Board of Commissioners	6 people
Board of Directors	5 people
Employee	4.415 people

Jabatan dan Jumlah Pihak yang Menjadi Material Risk Takers

Position	Total
Board of Commissioners	6 people
Board of Directors	5 people

Shares Options Have Board of Directors, Board of Commissioners, and Executive Officers

The description regarding the Shares Option of the Board of Directors, Board of Commissioners, and Executive Officers are explained in the Performance-Based Long-Term Compensation Policy section of the Corporate Governance Chapter of this Annual Report.

Highest and Lowest Salary Ratio

Description	Ratio
President Commissioner's Salary with Other Commissioners	1,11 : 1
President Director Salary with other Directors	1,11:1
Salary of the President Director with the highest Employee Salary	3,61 : 1
Director's Salary with the Highest Employee Salary	3,25 : 1
Highest Employee Salary with Lowest Employee	7,51 : 1

Number of Recipients and Total Amount of Variable Remuneration Guaranteed Without Condition

Position	Total	Nominal (in millions of Rupiah)
Board of Commissioners	6 people	13.507
Board of Directors	5 people	20.154

Total Amount of Delayed Variable Remuneration

Position	Total	Nominal (in millions of Rupiah)
Board of Commissioners	6 people	616
Board of Directors	5 people	926

Number of Employees that are Affected by Termination and Total Nominal Sentences Paid

Description	Number of Employees	Severance pay (in millions of Rupiah)
Dismissed	51	325
Die	21	2.068
Pension	43	9.677
Grand Total	115	12.070

Total Amount of Delayed Variable Remuneration Paid for 1 (One) Year

Position	Total	Nominal (in millions of Rupiah)
Board of Directors	6 people	942

Total Remuneration Provided in One Year

Position	Total	Nominal (in millions of Rupiah)
Board of Commissioners	6 people	20.300
Board of Directors	5 people	34.565

Quantitative Information

Variable Remuneration Type*)	Remaining Defender	Total Deductions During the Reporting Period		
		Due to Explicit Adjustment (A)	Due to Implicit Adjustment (B)	Total (A)+(B)
Cash (in million rupiah)	1.542.863.612,63	-	-	-
Shares/Share-based Instruments issued by the Bank (in shares and a nominal value of million rupiah which is the conversion of said shares)	1.554.844.246,23	-	-	-
Total	3.097.707.858,87	-	-	-

Remarks: *) Only for MRT

Performance-Based Long-Term Compensation Policy

Share Ownership Program by Employees and/or Management (ESOP/MSOP)

Bank Jatim held a share ownership program by employees and management based on the resolution of the Company's General Meeting of Shareholders on March 19, 2012 which was then stated in Deed No. 89 dated April 25, 2012

Purpose of Employee Stock Allocation (ESA) and Management Employee Stock Option Plans (MESOP)

The main objective of the Company's Management and Employee Share Ownership Program is that the management and employees of the Company have a sense of belonging and are expected to increase the work productivity of each employee which in turn will also improve overall corporate performance, so that there is an increase in company value. which can be enjoyed by the Company's stakeholders.

Total Share and/or Option

Bank Jatim holds an Employee Stock Allocation (ESA) program by allocating shares as much as 10% (ten percent) of the total issuance of Shares Offered and issuing Stock options for the Management and Employee Stock Option Plans (MESOP) program as much as 0, 71% (zeropoint seven one percent) of the total issued and fully paid-up capital after the Public Offering.

Time Periodhal

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.

Requirements for Employee and/or Entire Management

EMPLOYEE STOCK ALLOCATION (ESA)

ESA is a share allocation program for employees, in this program Bank Jatim provides a special allocation or percentage for employees to own Bank Jatim shares. The ESA program can be seen in several companies when they are about to conduct an Initial Public Offering (IPO). The price for implementing the ESA program is the same as the bid price at the time of the IPO.

The share allocation for the ESA program consists of:

- Award Shares, namely the provision of shares to employees as an Award.
- Certain Allotment Shares, namely the allocation of share ownership to employees in the form of purchasing certain shares of IPO according to the limit..

Participants 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 follow:

- Board of Commissioners, excluding Independent Commissioners
- Sharia Supervisory Board
- Members of Board of Directors who served at the time of issuance of Option Rights
- Structural Officers, including Division Heads, Main Branch Managers, Sub-Division Heads, Branch Managers, and Department Heads at Main Branch.
- Participants entitled to participate in the MESOP program are permanent employees registered as MESOP participants in accordance with the provisions of the Fifth Dictum paragraph (1) Decree No: 057/251/DIR/CSE/KEP regarding Procedures for Implementing the MESOP Program. This decision with the same position and/or level as well as above that, until the time of implementation of the MESOP program.
- Participants not entitled to participate in the MESOP program are employees who resign, dishonorably dismissed, or pass away.

The Option Rights in the MESOP Program will be issued in 3 Phases, namely:

Table of MESOP Program Option Rights

Phase I	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

Implementation Price or Implementation Price Determination

Bank Jatim has conducted the Management and Employee Stock Option Plans (MESOP) program since 2016 and ended in 2020 with offering prices of IDR 450, IDR 409 and IDR 599. In the Implementation of Windows Exercise I in 2020, the number of shares issued at a price of IDR 409 was 3,163,900 shares and shares at a price of IDR 599 were 9,963,600 shares. So that the total paid-up capital on December 31, 2020 was IDR 3,753,874,520,500 or 15,015,498.082 shares. In 2021, Bank Jatim did not carry out the Management and Employee Stock Option Plans (MESOP) program so that there was no share distribution to either the Board of Commissioners, the Board of Directors or executive officers.

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

The audit of Bank Jatim's financial statements ending December 31, 2021 was carried out based on the Cooperation Agreement Number First Party 060/180/DIR/PKU/PKS and Second Party Number B-324/GN/FD/KPS-SUD/XI/2021 dated December 1, 2021 to KAP Kanaka Puradiredja, Suhartono with an audit fee of IDR1,300,000,000 (One Billion Three Hundred Million Rupiah) including VAT.

Public Accounting Firm services to Banks include:

1. Inspection schedule including interim inspection schedule;
2. Resumes of inspection results of branches, at least according to PBI No. 14/14/PBI/2012 of 2012 concerning Transparency and Publication of Bank Reports, which was replaced by POJK no. 6/POJK.03/2015 Year 2015 concerning Transparency and Publication of Bank Reports, which was later replaced by POJK no. 37/POJK.03/2019 Year 2019 concerning Transparency and Publication of Bank Reports (including Sharia branches) and their amendments;
3. Independent Auditor's Report on Financial Statements for the period ended December 31, 2021 with comparative figures for the period ended December 31, 2020 in the form of:
 - a. Statement of Financial Position;
 - b. Statement of Income and Other Comprehensive Income;
 - c. Statement of Changes in Equity;
 - d. Cash flow statement;
 - e. Publication Report;
 - f. Notes to Financial Statements, including information on commitments and contingencies;
 - g. Other reports in accordance with:
 - PBI No. 14/14/PBI/2012 of 2012 concerning Transparency and Publication of Bank Reports, which was replaced by POJK No. 6/POJK.03/2015 Year 2015 concerning Transparency and Publication of Bank Reports, which was later replaced by POJK No. 37/POJK.03/2019 Year 2019 concerning Transparency and Publication of Bank Reports and their amendments.
 - Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency No: KEP-347/BL/2012 Regulation VIII.G.7 concerning Presentation and Disclosure of Financial Statements of Issuers or Public Companies.
 - Decree of the Board of Directors of the Jakarta Stock Exchange No. Kep-306/BEJ/07-2004 concerning Regulation Number I-E concerning Obligation to Submit Information.

- In 2 (two) versions, namely in Indonesian and English (Bilingual), 1 (one) original and 50 (fifty) hard copies including the softcopy.
- Management Letter (ML) report in Indonesian in the amount of 10 (ten) copies including the softcopy.
 - Independent Auditor's Report on compliance with laws and regulations and internal control in accordance with Statement of Auditing Standards (PSA) No. 62 in Indonesian, a total of 10 (ten) copies including the softcopy.

KAP Kanaka Puradiredja, Suhartono, has communicated with the Financial Services Authority (OJK) to discuss the scope of the audit of the Bank Jatim Financial Statements ending on December 31, 2021.

Table of Public Accountant Office, Accountant Name, and Audit Fee

Years	Public Accounting Office	KAP Period	Accounting Name (Responsible Partner)	AP Period	Fee Audit Service (Million Rupiah)
2021	Kanaka Puradiredja, Suhartono	1st period	Florus Daeli	1st period	1.300
2020	Amir Abadi Jusuf, Aryanto, Mawar & Rekan (RSM Indonesia)	1st period	Bimo Iman Santoso	1st period	1.485
2019	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan	3rd period	Gideon	2nd period	960
2018	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan	2nd period	Gideon	1st period	940
2017	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan	1st period	Ary Daniel H	1st period	570
2016	Hendrawinata Eddy Siddharta & Tanzil	2nd period	Rita Susilowati	2nd period	840
2015	Hendrawinata Eddy Siddharta & Tanzil	1st period	Rita Susilowati	1st period	900
2014	Purwantono, Suherman & Surja (Ernst & Young)	5th period	Sinarta	3rd period	980
2013	Purwantono, Suherman & Surja (Ernst & Young)	4th period	Sinarta	2nd period	900
2012	Purwantono, Suherman & Surja (Ernst & Young)	3rd period	Sinarta	1st period	675
2011	Purwantono, Suherman & Surja (Ernst & Young)	2nd period	Drs. Hari Purwantono	2nd 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:

- Ensuring that the implementation of Risk Management was adequate in accordance with the characteristics, complexity and risk profile of the Bank.
- Having a good understanding of the types and levels of risk inherent in the Bank's business activities.
- 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. Sistem Manajemen Risiko dan informasi yang dihasilkan disesuaikan dengan karakteristik dan 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. 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 Controlling System

The Internal Control System (SPI) became a supervisory mechanism established by the management of Bank Jatim on an ongoing basis. Effective SPI was an important component in management and forms the basis for sound and safe operational activities of the Bank. The effective implementation of the internal control system could assist the Bank's management in safeguarding the Bank's assets, improving the Bank's compliance with the prevailing laws and regulations, and reducing the occurrence of losses, deviations and violations of prudential aspects.

The implementation of a reliable and effective internal control system of the Bank was the responsibility of all risk taker units, support units, and the Internal Audit Division. The internal control system for risk refers to the overall internal control system which included:

1. The Bank implemented the internal control system effectively in the application of Risk Management by referring to the established policies and procedures. The application of the four eyes principle had been adequate and consistently implemented.
2. Comprehensive internal control system in the application of Risk Management
3. Implementation of a review of the implementation of Risk Management.
4. The results of the review assessment by the Company's Risk Management Division were submitted to the Board of Commissioners, Internal Audit Division, Compliance and

Risk Management Director, Audit Committee, and other relevant Directors as input in improving the Risk Management framework.

5. to the results of internal and external audit findings monitored by the Internal Audit Division. The audit findings that have not been followed up are informed by the Internal Audit Division to the Board of Directors to take the necessary steps.
6. The level of responsiveness to weaknesses and / or deviations that occurred against applicable internal and external regulations

Risk Profile and Management

The risks inherent in the Bank Jatim Business aligned with the provisions of the Financial Services Authority stipulated eight risks includes Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. A better description of each risk as follows.

Credit Risk

Based on 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 2021, Bank Jatim Management of credit risk has optimally pursued as reflected in credit risk profile rating in December 2021 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 2021 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 Risk

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 highquality 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 2021 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 ThirdParty Funds, installment under-performing payments credit debtors, unfavorable liquidity & maturity profile gap, which leads a tendency towards the provision of expensive, limited funds or reduced potential for credit expansion, or more broader impact of bank losses, arising from reputational risk.

Liquidity Risk Mitigation

The undertaken mitigation effort of potential losses on liquidity risk is to anticipate and monitor funds withdrawals that have been made by customers in withdrawals form through bank clearance and cash withdrawals through incoming funds both in incoming transfers and customer cash deposits (customer behavior). Bank Jatim has conducted liquidity banking sensitivity analyze to the largest ever withdrawal scenario, covers increasing access to funding sources, increasing and maintaining the stability of Third Party Funds. Bank Jatim has maintained primary and secondary reserves as well as arranged detailed cash flow projections in rupiah against interest rate fluctuations. On top of that, Bank Jatim has conducted a management gap to avoid or minimize interest rates fluctuations to actualize stable and growing profits. Bank Jatim also continue to increase the number of good counterparties and establish long-term positive relations, particularly in the liquidity provision field which develops various forms of Contingency Funding Plans constantly in both normal and crisis situations.

Operational Risk

Operational risk is defined as the arising losses risk due to insufficient and or non-functioning internal processes, human errors, system failures, and or the presence of external parties affect in the operation of Bank Jatim. Operational risk was inherent in every product / activity / bank operational process. In measuring operational risk, Bank Jatim calculated capital requirements for operational risk using a basic indicator approach. Operational risk is a crucial risk category, considering that the growing business model and products, banking services of Bank Jatim, become more complex and diverse in the future. To manage functional banking activities, products or services optimally, the effective operational risk management implementation has been carried out. Furthermore, the internal audit unit evaluates the risk management policies implementation and procedures in each of the operational banking activities.

The approach used in managing operational risk is through the determination of the most appropriate mitigation strategies to

obtain an optimal balance between operational risk exposure, the effectiveness of the control mechanism and the level of risk that has been received by the Bank. Operational risk management was supported by the involvement of:

1. Risk Management Committee (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 2021, 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 2021, 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:

- Bank Guarantee Claims Example of Finance:
- Expenditures arising from customer compensation
- Imposing of Fines/Sanctions for the occurrence of Lawsuits
- Loss of Credit Guarantee

Example of Non-Finance

- Pending auction guarantee (which possibly affect the NonPerforming 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 2021, 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:

1. 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.
2. 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.
3. 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 thirdparty 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 2021, 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 2021 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.

Effort To Manage Risk

As a bank that had a vision to encourage regional economic growth and participate in developing small and medium enterprises that focused on providing credit to the MSME sector, it was strongly influenced by changes in the business climate such as inflation and competition with foreign products. Thus, the increasing number of foreign products that entered Indonesia as a result of the free trade that Indonesia followed. Efforts to minimize these negative impacts are carried out risk management based on the principle of prudence to ensure the growth of a healthy and sustainable performance of the Bank.

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).

The results of the self-assessment of the risk profile of the Bank's position as of December 2021 were rank 2 (PK-2) with an inherently low to moderate risk rating and the Quality of Risk Management Implementation (KPMR) rating, namely Fair.

Type of Risk	Inherent Risk	Quality of Application of Risk Management	Composite Risk Rating
Credit Risk	Moderate	Fair	3
Market Risk	Low	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
Reputational 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 2021 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.

Statement of the Board of Directors and/or Board of Commissioners or Audit Committee on the Adequacy of the Risk Management System

The Board of Commissioners through the Risk Monitoring Committee assessed that the adequacy of risk management was effective and adequate as reflected in:

- Adequacy of Risk Management policies and procedures as well as determination of effective Risk limits which include, among others:
 - determination of the use of measurement methods and Risk Management information systems
 - determination and determination of Risk limit
 - determination of Risk rating
 - preparation of contingency plans in the worst case scenario
 - determination of the internal control system in the application of Risk Management.
- Adequacy of risk identification, measurement, monitoring and control processes, and an adequate Risk Management Information System.

Internal Control System

In order to create and improve the quality of risk management implementation that supported the effectiveness of a riskbased Bank supervision framework, Bank Jatim was required to have an Internal Control System (SPI) that was reliable and effective in managing its risk which was determined by the Bank's management on an ongoing basis, in order to:

- Safeguard and secure the assets of the Bank.
- Ensure the availability of more accurate reports.
- Increase compliance with applicable regulations.
- Reduce the financial impact or the impact of losses, irregularities including fraud and violations of prudential aspects.
- Increase organizational effectiveness and increase cost efficiency.

Purpose

- Compliance with statutory provisions and regulations or compliance objectives.
- 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.
- The availability of financial and management information that was complete, accurate, appropriate, and timely or information purposes.
- 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.
- Effectiveness and efficiency in the Bank's business activities or operational objectives.
- 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.
- Increasing the effectiveness of the risk culture in the Bank's organization as a whole or the objectives of the risk culture.
- The objective of risk culture was intended to identify weaknesses and assess deviations early as well as to continuously assess the reasonableness of existing policies and procedures in the Bank.

Environment of Control

The control environment provided direction for the organization and affected the controlling awareness of the people within the organization. Factors that influenced the control environment were integrity and ethical values, commitment to competence, the Board of Directors and the Audit Committee, management style and operating style, organizational structure, granting of authority and responsibility, HR practices and policies.

The adequacy of the Bank's internal control was assessed based on the controls inherent in activities in accordance with the policies, systems and procedures implemented including activity control, physical control, compliance and limit provisions, reconciliation procedures, separation of functions and other elements of control.

Risk Assessment

Measurement of Risk was the identification of entities and analysis of relevant risks to achieve their goals forming a basis for discovering how risks should be managed. Bank Risk Assessment became a series of activities to identify, measure, monitor and control risks. Risk Assessment was carried out on all types of risks inherent in the Bank's processes / activities.

Bank-wide risk assessment was carried out by the risk management unit (SKMR) on a quarterly basis as outlined in the Bank's risk profile report. The assessment covered all risks faced by the Bank which included credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk.

Control Activities - Financial and Operational Control

Controls were classified as policies and procedures related to performance reviews, information processing, physical controls, and segregation of duties.

Reviewing activity of the performance of Branches and SubBranches against the predetermined targets, was routinely carried out every 4 (four) months by the Board of Directors, the last review for Cawu 4 was held on 9 - 10 December 2021 for branch offices and 15 - December 17, 2021 for sub-branch offices. 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:

- Adequate documentation of accounting policies, procedures, systems and standards as well as an audit trail process.
- Easy access to documentation if needed for examination purposes.
- 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.

Compliance with Other Laws and Regulations

Control of compliance with laws and regulations is generally carried out by the Compliance Unit. The Compliance Work Unit must be independent and only responsible directly to the Director in Charge of the Compliance Function. The duties and responsibilities of the Compliance Unit include, among others, identifying, measuring, monitoring, and controlling Compliance Risk with reference to OJK regulations governing the implementation of risk management for commercial banks and OJK regulations governing the implementation of risk management for Islamic commercial banks and sharia business unit. In addition, the Compliance Unit also assesses and evaluates the effectiveness, adequacy, and conformity of the Bank's policies, provisions, systems and procedures with statutory provisions.

In improving the effectiveness of controlling compliance with laws and regulations, the Compliance Unit has carried out its duties, among others, to improve the culture of compliance in work units both offline and online, and to continuously improve employee understanding on the applicable rules and regulations, identify, measure, monitor, and control compliance risk to minimize the

occurrence of compliance risk by using an application that will be built through a web portal, as well as developing a compliance portal so that it can function effectively to support the performance of all work units. , as well as integrating external requirements summary working papers on the compliance portal.

Information and Communication

Information and Communication became the identification, capture and exchange of information in a form and time that enables people to carry out their responsibilities. Strengthen effective communication channels with systems enabled the information and communication distribution immediately and accurately to reinforce the understanding and implementation of internal control objectives, processes, and responsibilities involving the Board of Commissioners, Management, related Divisions to employees, as designed to provide adequate assurance about achievement the purpose of the Bank.

In carrying out its functions, internal audit as a strategic partner for the Bank in achieving its activity objectives always provided Assurance and Consultations that provided added value to improve the Bank's performance, internal audit had to be independent, objective, professional and had adequate compensation and had the authority to gain access to information complete in carrying out its duties, because this would provide assurance to the Bank regarding the quality and effectiveness of internal control, risk management as well as governance processes and systems to protect the assets of the bank, the organization and the reputation of the Bank.

Monitoring Activities

Monitoring activity was a process that determined the quality of internal control performance over time. Monitoring included determining the design and operation of controls in a timely manner and taking corrective action. To ensure the quality of internal control system sustainable and periodic has carried out and the necessary improvements in the making aligned with existing conditions, particularly by continuous monitoring (ongoing monitoring). Passive/off-site inspection mechanisms or separate evaluation is centrally conducted by the Internal Audit Division Head Office with the observations, research, and analysis of bank functional activities and branch performance aims to obtain information in the shortest possible time and identifying Branch problems so it can take corrective action to the responsible parties.

Compliance with the Committee of Sponsoring Organizations of Tradeway Commission Internal Control Framework (COSO)

1. Control environment. Control environment factors included ethical values and competence of people and entities, management philosophy and operating styles that prioritize integrity and corporate values which are implemented in management control as a reference as a standard of corporate behavior. The Board of Commissioners also monitors the evaluation of the implementation of internal control made by internal auditors and external auditors with the aim of ensuring that there are improvements to bank problems that

can reduce the effectiveness of internal control. Management also strives to place individuals with integrity, competence and effectiveness in their work (right man in the right place).

2. Measuring risk (risk assessment). Management identified, analyzed, and measured risks to ensure adequacy that the risks in a company were managed in accordance with the risk appetite relevant to the business and operations of the bank in order to achieve the specified business plan, by establishing risk identification and risk management criteria to produce reliable financial reports.
3. Control activities. Actions taken by management in the context of internal control relating to the implementation of bank operations, especially the implementation of risk management, implementation of Good Corporate Governance in achieving the targets set by management, were sufficient, effective and safe. Mainly by taking steps, including evaluating or updating policies and procedures, as well as evaluating the security of all business functions and applications and networks included in Business Continuity Management.
4. Information and communication. Strengthening effective lines of communication with a system that allowed the distribution of information and communication quickly and accurately to support the understanding and implementation of internal control objectives, processes and responsibilities involving the Board of Commissioners, Management, related divisions and employees, which were designed to provide adequate assurance about the achievement of company objectives.
5. Monitoring. In order to ensure the quality of internal control in a sustainable and periodic manner and that the necessary improvements had been made according to existing conditions, it was necessary to carry out continuous monitoring (on going monitoring). Monitoring in the first line of defense is in the form of an Internal Control System attached to each risk taking unit, while monitoring carried out on the second line of defense in the first line of defense had to be carried out proactively and continuously in each risk taking unit.

Evaluation of Implementation of Internal Control System

The implementation of a reliable and effective internal control system became the responsibility of all parties involved in the Bank organization, among others, as follows:

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

3. Internal Audit Work Unit (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.

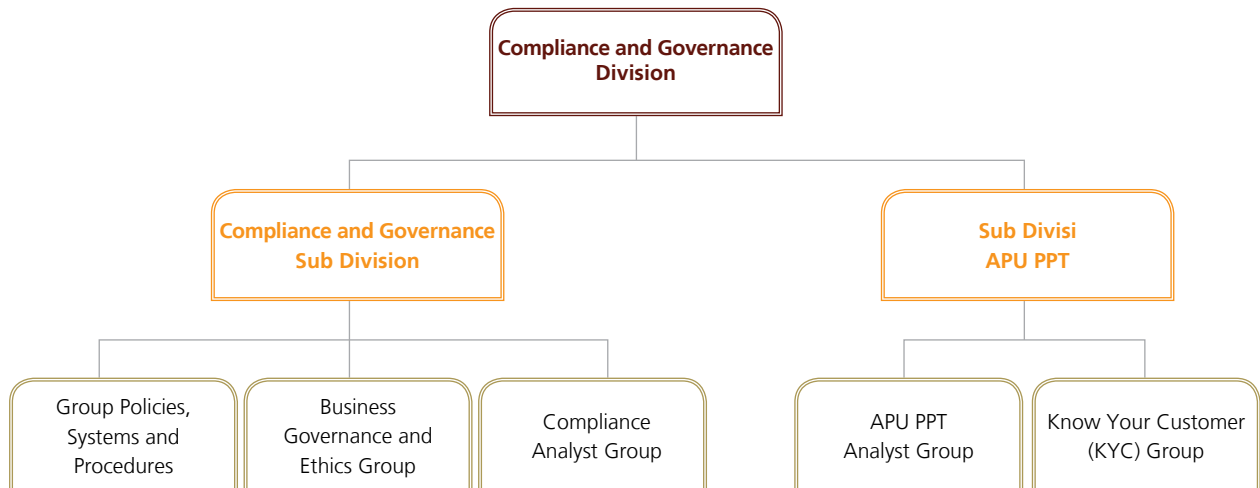
Results of the Internal Control System Evaluation conducted by the Board of Directors through a review, namely the Board of Directors periodically (every quarter) reviews the operational performance report of the Head of Work Unit (Branch Head) through this review, evaluates findings such as the problem of weakness in the Internal Control System, Financial Report Errors or other irregularities (fraud)..

Statement of the Board of Directors and/or the Board of Commissioners on the Adequacy of the Internal Control System

The Board of Commissioners and the Board of Directors provided direction on the results of the audit report on the Adequacy of the Internal Control System carried out by the Internal Audit Division by holding regular coordination meetings related to issues that became obstacles to the Bank's operations and the achievement of bank performance including discussions related to the findings of the Internal Audit within a certain period. The Board of Commissioners and the Board of Directors consider that the adequacy of the internal control system has been effective and adequate.

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.

Profil of Compliance and Governance Division Leaders



Putu Denny H

Acting. Compliance & Governance Division Leader

Citizenship

Indonesian citizens

Place and date of birth

Denpasar, 28 June 1977

Domicile

Surabaya

Educational background

S1 Informatics Engineering STTS

Position History

- Pgs. Head of Compliance & Governance Division (2020-current)
- Pimsubdiv APU PPT – Compliance & Governance Division (2020)
- Pimsubdiv Product Development & Service Fund Policy – Product Development and Policy Division (2019-2020)
- Acting Pimsubdiv Product Development & Corporate Intermediate Policy - Product Development and Policy Division (2018-2019)
- Acting Pimsubdiv Product Development & Product Policy of DJLN – Fund Service and Foreign Affairs Division (2017)
- Product Group Senior Analyst - Service Fund and Foreign Affairs Division (2015-2017)
- Head of HR Muhammad Branch Operations – Main Branch Surabaya (2012-2015)
- Head of Malang Regency Government Cash Office – Malang Branch (2011-2012)
- Head of Singosari Cash Office – Malang Branch (2010-2011)

Basis of Appointment

060/21/HCP/OHC/PGS

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 2021 is as follows.

No	Name of Education and Competency Development	Implementation date
1	Training on the Implementation of Government Investment in the Implementation of the National Economic Recovery Program and Examination of Performance in State-Owned Enterprises/BUMD	March 30, 2021
2	EDP (Executive Development Program) Classical Training	April 8, 2021
3	KUR Socialization and SIKP Training	April 19, 2021
4	Risk Management Certification Refreshment Program	May 25, 2021
5	APU/PPT Reporting Via GOAML Application	June 02, 2021
6	Training on Identification of Suspicious Financial Transactions and Determination of Predicate Crimes	June 07 2021
7	Compliance Management Training	June 23, 2021
8	Two-Day National Webinar With the Theme of a New Paradigm of Prevention and Eradication of Criminal Acts of Corruption Based on the KPK Law Number 19 of 2019	August 04, 2021
9	Competency-Based Interview Training	August 12, 2021
10	Bad Governance & Corruption	August 19, 2021
11	Urgency and Implementation of Financial Audits and Audits for State Loss and Tax Audits in BUMN/BUMD & Ministries, Private, and GCG as Strategic and Concrete Steps in Preventing Corruption	September 08 2021
12	Risk Management Certification Refreshment Program	September 15, 2021
13	Compliance Training for Internal Supervisory Units (SPI)	September 21, 2021
14	Level-4 Risiko Risk Management Certification Training	October 02, 2021
15	Risk Management Certification Program Level-4 Exam	October 10, 2021
16	Classical Staff Development Program (SDP) Training	October 13, 2021
17	Level 1 Risk Management Certification Training	October 18, 2021
18	Risk Management Certification Program Level-1 Exam	October 25, 2021
19	Implementation of RBA APU PPT (POJK No 23/POJK.01/2019)	November 02, 2021
20	Risk Management Certification Refreshment Program	November 03, 2021
21	National Webinar "Risk-Based Auditing and Practices - Fraudulent Practices That Trigger Criminal Acts in the Procurement of Goods and Services in BUMD Corporations, BLU/D, Ministries, SKPD Institutions in 2021"	November 03, 2021
22	Risk Management Certification Refreshment Program	November 05, 2021
23	Level 1 Compliance Certification Test Preparation Training	November 10, 2021
24	Preparation and Management of Banking BPP/SOP	November 10, 2021
25	Officer Level Compliance Certification Exam - Level 1	November 13, 2021
26	Implementation of the Tax Harmonization Law	November 17, 2021
27	APU and PPT (Anti-Money Laundering and Prevention of Terrorist Financing) training	November 17, 2021
28	Level 1 Risk Management Certification Training	November 20, 2021
29	Risk Management Certification Refreshment Program	November 21, 2021
30	Webinar "Perceptions of Corruption Crimes and the Paradigm of Corruption/Gratification Prevention as Indications of Corruption and the Rights and Authorities of the KPK to Conduct Lawful Interceptions" Based on KPK Law No. 19 of 2019.	November 24, 2021
31	Classical Staff Development Program (SDP) Training	November 24, 2021
32	Compliance Aspects in the Credit Sector	November 24, 2021
33	Completion of Compliance Function, Improvement of Procedure Framework, and Performance Identification	December 01, 2021

Compliance Function Implementation

The implementation of the Compliance Function tasks carried out during 2021 were as follows:

1. Improving the program for realizing a compliance culture in work units both offline and online, and continuously improving employee understanding of the applicable rules and regulations.
2. Exploring and developing frameworks, compliance charters, compliance code of conduct, and compliance policies in the context of harmonization between the Bank's commercial interests and compliance with applicable regulations.

3. Developing a compliance portal so that it can function effectively to support the performance of all work units, as well as integrate external regulatory summary working papers on the compliance portal.
4. Identifying, measuring, monitoring, and controlling compliance risk to minimize compliance risk by using an application built through a web portal with a minimum target of "Low to Moderate" compliance risk assessment on the Bank's soundness level assessment.
5. Developing a report monitoring application (monilap), especially for the monitoring feature of Internal and External Audit findings.
6. Reviewing repeated findings based on data provided by the Internal Audit Division as input to the Director in charge of the compliance function to minimize the Bank's compliance risk.
7. Improving the Rule Making Rules which include updating the Bank's Basic Policies, Product and Activity Policies, SOPs, and Technical Guidelines.

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 Anti-Money Laundering and Terrorism Financing Prevention Program implementations that had been carried out include:

1. Implementation of the Anti-Money Laundering and Terrorism Financing Prevention program under the supervision of the Director in charge of the Compliance function was based on the policies and procedures supported by an adequate internal control system and management information system, and competent human resources.
2. Optimizing the implementation of Anti-Money Laundering and Terrorism Financing Prevention Program in all financial transactions and bank operations at all levels of the organization.
3. Developing and improving the management information system for the implementation of Anti-Money Laundering and Terrorism Financing Prevention program, as well as improving the quality of customer data on an ongoing basis in order to improve the quality of reporting as the Whistleblower's task in the Anti-Money Laundering and Terrorism Financing Prevention regime.
4. Taking an active role and be part of the implementation of the mandatory Go-AML program initiated by PPAATK.
5. The Bank participated in the Financial Integrity Rating on ML/TF assessment held by PPAATK

Funding of Social and/or Political Activities

Descriptions related to corporate social responsibility are submitted in the 2021 Sustainability Report. As for the provision of funds for political activities, during 2021 Bank Jatim does not provide funds for political activities or to political parties.

Important Case

During 2021 Bank Jatim faced several important cases in the form of completed civil law issues (having received a Court Decision which has permanent legal force/inkracht), revocation of lawsuits and still in the process of completion as follows:

Table of Important Case

No.	Important Case	Total		
		Civil	Commerce	Industrial relations
1.	Completed (There has been a Court Decision which has permanent legal force/inkracht)	24	-	1
2.	Withdrawal of Lawsuit	2	-	-
3.	In Process of Completion	29	1	2

Important Case Faced by the Company

Of the several cases faced by the Bank, there are 4 (four) significant civil cases as follows:

Table of Important Cases Facing the Company

No	Case/Lawsuit	Settlement Status	Its Effect on Condition Company			Management Efforts
			Risk	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 Jaya and Bank Jatim	Surabaya District Court Decision: Unacceptable lawsuit Surabaya High Court Decision: Strengthening the Decision of the Surabaya District Court. In this case, waiting for the Eintracht status from the Surabaya High Court Decision	Legal Risk	None	Rp.3.000,-	Bank Jatim confirms in writing to the Court regarding the Eintracht status of the High Court Decision.
2.	Case Number 13/Pdt.G/2018/PN.BJN dated May 18, 2018, between Hj.Ani Rufa'ida, Drs.H.Mahruhin Irfan M.Si and Bank Jatim	Cassation Process at the Supreme Court	Legal Risk	None	Rp.4.032,-	Bank Jatim filed a counter cassation memorandum to support the position of Bank Jatim.
3.	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 (debtor of Bank Jatim)	Settlement process at the Surabaya Commercial Court	Legal Risk	None	Rp 31.103,-	Bank Jatim has verified the debt to PT Citra Gading Asritama/the debtor of Bank Jatim (in bankruptcy) and has been recognized by the Curator.
4.	Case Number 1048/Pdt.G/2019/PN.Sby dated October 23, 2019, between Bank Jatim and PT Pan Pacific Insurance, PT Waskita Karya and PT Duta Cipta Pakar Perkasa (in bankruptcy)	The cassation process at the Supreme Court	Legal Risk	None	Rp.109,254,-	Bank Jatim filed a counter cassation memorandum to support the position of Bank Jatim.

Important Cases which Faced by the Board of Commissioners and the Board of Directors

During 2021, there were no legal issues being faced by the current Board of Commissioners and Directors.

Legal Problems Facing Subsidiaries

During 2021, Bank Jatim does not yet have a Subsidiary, so there is no information on the legal issues being faced by the Subsidiary.

Impact Of Legal Problems On Bank

The impact of civil law problems experienced by Bank Jatim through the legal process is not significant and does not interfere with the Bank's performance because the Bank has carried out appropriate mitigation and litigation processes and in accordance with the provisions of laws and regulations.

Administrative Sanctions Imposed to Companies, Members of the Board of Commissioners and the Board of Directors by Capital Market Authorities and Other Authorities

Throughout 2021, 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:

Muhamad Fahmi

Head of Investor Relations

Bank Jatim

Jl. Basuki Rachmat No. 98-104, Surabaya

Email: iru@bankjatim.co.id

The activities carried out by Investor Relations are as follows:

1. Compiling the performance of Bank Jatim every month in accordance with the company's monthly financial reports such as; macro and micro economic information, information on the company's financial position based on balance sheets, ratios, percentages, business plans and strategies as well as stock information.
2. Managing information disclosure with investors and analysts.
3. Coordinating, evaluating, and providing recommendations in the implementation of activities including:
 - a. One on One Meeting
This activity is carried out to foster good relations with potential investors, investors and analysts.
 - b. Analyst Meeting
Activities to present the company's quarterly performance with analysts aimed at delivering the latest information on the performance, strategies and achievements that have been achieved by Bank Jatim.
 - c. Conference Call
Telephone calls made either at the request of an investor or an Investor Relations initiative.
 - d. Site Visit
Activities carried out at the request of investors to visit branches to see the operations of Bank Jatim.
 - e. Roadshow
Activities increase the interest of foreign investors to enter the country through Bank Jatim shares.
4. Compiling, managing, and carrying out preparation of weekly, monthly, quarterly, semester and annual publication report.

Investor Relation Performance

Activities that had been carried out by the Investor Relations Team during 2021 are as follows:

1. Analyst Meeting Activities, in 2021, were held 4 (four) times a year.

No	Date	Location	Topic
1	April 14th 2021	Executed via live streaming	Analyst Meeting FY 2020 Audited
2	April 14th 2021	Executed via live streaming	Analyst Meeting 3M21
3	July 28, 2021	Executed via live streaming	Analyst Meeting 1H21
4	October 28, 2021	Executed via live streaming	Analyst Meeting 9M21

2. Communication with analysts, namely One on One Meeting and Conference Call.
3. Participation in the Public Expose Live held by the Indonesia Stock Exchange on September 7, 2021.

Press Conference

Month	Press conference
January	Bankjatim had CSR Submission to the NU Branch Manager of Pasuruan Regency
	Bankjatim had CSR Submission to the City of Kediri
February	Bank Jatim Strengthened Cooperation with BPJS Employment in the GN LINGKARAN Program
	Bank Jatim Submitted CSR Health Equipment for An-Nur Islamic Boarding School Polyclinic 1 Bululawang Malang
March	Lumajang Tourism Support, Bank Jatim Submitted CSR in the form of Contemporary Tents
	Bank Jatim Submitted CSR to Situbondo Regency Government
	Bank Jatim Submitted CSR for Church Facilities
	Increasing Current Generation Customers, Bank Jatim Held Jatim Garage & Savings Lottery
	It's Easier to Pay for the KIR Test Using Bank Jatim
	Building Employee Motivation, Bank Jatim Held Banking Refreshment
April	Bank Jatim Submitted CSR to Mojokerto City Government
	Bank Jatim Simplified East Java OPOP Transaction Services
	Bank Jatim Held Multipurpose Loan Lottery For The First Time
May	Annual General Meeting of Shareholders of PT Bank Pembangunan Daerah Jawa Timur Tbk
June	Bank Jatim Facilitated Payment of Taxes and Non-Cash Tourist Tickets in Kediri Regency
	Bank Jatim Submitted CSR to PWNU East Java
July	Strengthening Three Important Pillars, Bank Jatim Presented the Digital Brand "JCONNECT"
	Bank Jatim Succeeded the Joint Vaccination Program in the East Java Financial Services Sector
	Profit Before Tax of Bank Jatim Reached IDR1 Trillion in Semester One
August	60 Years of Bank Jatim Progressing Without Boundaries
	Bank Jatim Together with Financial Services Sector Held Second Dose of Mass Vaccination
September	Bank Jatim Succeeded Vaccination Program to Bawean Island
	Bank Jatim and the East Java Provincial Government got Awards at the TOP BUMD Award 2021
October	Moving On Without Limits, Bank Jatim's Assets Reached 101 Trillion
November	The Governor of East Java Together with Busrul Iman Hands Over the 2021 Simpeda Savings Lottery Prize
December	Launching of PBB Payment Via Mojokerto City Marketplace
	Handing over of Phase 2 of the Pancasila Fort Park Development Assistance to the Mojokerto City Government
	Submission of Bank Jatim Caring to the Sumenep Regency Government
	Submission of Bank Jatim Caring for Mobile Regional Tax Service Cars to the Malang Regency Government

Bulletin

Volume	Bulletin Theme
17th Edition	National Economic Recovery Policy
18th Edition	Strengthen Digital Services in the New Normal Era
19th edition	Vaccination Increases Optimism of Economic Recovery
20th Edition	Keep Making Positive Performance
21 Edition	Unlimited Ride

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 2021 are as follows.

Periodic Report

No.	Type of Report	Goals	Report Period	Total
1.	Securities Holder Registration Report	BEI	Monthly	12
2.	Foreign Exchange Payable Report	BEI dan OJK	Monthly	12
3.	Annual report	BEI dan OJK	Monthly	1

Incidentile Report

No.	Date	Reference number	Goals	Regarding
1	January 13, 2021	060/001/DIR/KMK/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
2	January 19, 2021	060/003/DIR/KEP/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
3	February 23, 2021	060/03/CSE/IVR/Srt	OJK	Internal Audit Changes
4	February 23, 2021	060/113/CSE/IVR/Srt	OJK	Change of Corporate Secretary
5	March 22, 2021	060/213/DIR/CSE/Srt	OJK	Submission of the Agenda of the Annual General Meeting of Shareholders
6	March 27, 2021	060/06/CSE/IVR/Srt	OJK	GMS Announcement
7	March 27, 2021	060/218/DIR/CSE/Srt	OJK	Submission of Proof of Announcement of GMS
8	April 11, 2021	060/250/CSE/IVR/Srt	OJK	Request for Explanation of Issuers and Other Public Companies
9	April 11, 2021	060/252/DIR/CSE/Srt	OJK	Request for Explanation of Issuers and Other Public Companies
10	April 11, 2021	060/09/CSE/IVR/Srt	OJK	Invitation to the Annual General Meeting of Shareholders
11	April 11, 2021	060/251/DIR/CSE/Srt	OJK	Submission of Proof of Ads for Summons for GMS
12	April 11, 2021	060/10/CSE/IVR/Srt	OJK	Submission of Sustainability Reports
13	April 11, 2021	060/249/DIR/CSE/Srt	OJK	Annual Report Submission
14	April 16, 2021	060/256/DIR/PRS/Srt	OJK	Request for Explanation of Issuers and Public Companies Responding to OJK's Letter
15	April 20, 2021	060/261/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
16	April 21, 2021	060/267/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
17	April 22, 2021	060/11/CSE/IVR/Srt	OJK	Submission of Proof of Advertising Information on Annual Financial Statements
18	April 26, 2021	060/13/DIR/CSE/Srt	OJK	Annual Report Submission (CORRECTION)
19	April 26, 2021	060/12/CSE/IVR/Srt	OJK	Submission of Sustainability Reports (CORRECTION)
20	April 30, 2021	060/14/CSE/IVR/Srt	OJK	Submission of Proof of Advertising Information on Interim Financial Statements
21	May 4, 2021	060/15/CSE/IVR/Srt	OJK	Management Change
22	May 5, 2021	060/18/CSE/IVR/Srt	OJK	Information Disclosure Related to Corporate Action
23	May 25, 2021	060/19/CSE/IVR/Srt	OJK	Minutes of the Annual General Meeting of Shareholders

No.	Date	Reference number	Goals	Regarding
24	July 5, 2021	060/22/CSE/IVR/Srt	OJK	Material Information or Facts Report Changes to the Company's Articles of Association
25	July 30, 2021	060/23/CSE/IVR/Srt	OJK	Submission of Proof of Advertising Information on Interim Financial Statements
26	August 6, 2021	060/394/CSE/IVR/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
27	August 24, 2021	060/394/CSE/IVR/Srt	OJK	Public Expose Plan – Annual
28	September 2, 2021	060/25/CSE/IVR/Srt	OJK	Submission of Annual Public Expose Materi
29	September 3, 2021	060/414/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
30	September 3, 2021	060/415/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
31	3 September 2021	060/415/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
32	September 3, 2021	060/416/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
33	September 3, 2021	060/417/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
34	September 3, 2021	060/418/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership
35	September 9, 2021	060/27/CSE/IVR/Srt	OJK	Public Expose Results Report - Annual
36	October 4, 2021	060/29/CSE/IVR/Srt	OJK	Changes in the Nomination and Remuneration Committee of Issuers and Public Companies
37	October 4, 2021	060/586/CSE/IVR/Srt	OJK	Audit Committee Changes
38	October 5, 2021	060/589/CSE/IVR/Srt	OJK	Requests for Explanation of Issuers and Other Public Changes
39	October 25, 2021	060/466/DIR/CSE/Srt	OJK	Explanation of Mass Media Coverage
40	October 29, 2021	060/498/PKU/AKP/GPL/SRT	OJK	Submission of Proof of Advertising Information on Interim Financial Statements
41	November 9, 2021	060/31/CSE/IVR/Srt	OJK	Changes to the Audit Committee (CORRECTION)
42	November 30, 2021	060/32/CSE/IVR/Srt	OJK	Appointment/Change of Public Accounting Firm and/or Public Accountant
43	December 7th 2021	060/187/DK/SRT	OJK	Ownership Report or Any Change in Public Company Share Ownership
44	December 24, 2021	060/548/DIR/CSE/Srt	OJK	Ownership Report or Any Change in Public Company Share Ownership

Anti Corruption Program

Programs and Procedures in Overcoming Corruption, Kickbacks, Fraud, Bribery and/or Gratification Practices

Prevention of Corruption Practices

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.

Implementation of Anti-Fraud Strategy

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.

Prevention

The prevention pillar is part of the fraud control system that aims to include steps to reduce the potential risk of fraud, including anti-fraud awareness, identification of vulnerabilities and Know your employee.

Detection

The detection pillar is part of the fraud control system which aims to contain steps to identify and find fraud in the Bank's business activities, including policies and mechanisms for whistleblowing, surprise audits, surveillance systems.

Reporting Investigations and Sanctions

The Investigation, Reporting and Sanctions Pillar is part of the fraud control system which aims to include steps for digging up information (investigation), reporting system, and imposition of sanctions for fraud in the Bank's business activities.

Monitoring Evaluation and Follow-up

The Monitoring Evaluation and Follow-up Pillar is part of the fraud control system which aims to include steps to monitor and evaluate fraud as well as follow-up mechanisms for frauds that occur.

The implementation of the four pillars takes into account the following:

1. Bank's internal and external environmental conditions
2. Complexity of business activities
3. Potential, types and risks of fraud
4. Adequacy of the required resources

The successful implementation of the overall antifraud strategy depends very much on the commitment and enthusiasm of the Board of Commissioners and Directors to foster a culture and anti-fraud concern at all levels of the Bank's organization. One of them is by making a written commitment called the AntiFraud Declaration signed by the Board of Commissioners, Directors and all employees of the Bank's organization.

Prevention and detection and identification of potential risks of vulnerability is an early warning system for the operational process. Identification of findings that indicate fraud, is implied in the whistleblowing policy and mechanism. Through this mechanism

it is expected to detect early on the occurrence of a violation and can increase the level of participation of employees, customers and other stakeholders in reporting a violation and be used as an early warning of the possibility of a violation in the Bank.

Gratuity

Gratuity Control Management

The Gratuity Control Unit (UPG) of Bank Jatim is managed by the Compliance Unit (SKK) in the Company, namely the Compliance & Governance Division. UPG functions to control gratification within Bank Jatim, which is carrying out its duties, assisted by the Human Capital Division, Corporate Secretary, Internal Audit Division, and Legal Division. The organizational structure of the UPG Bank Jatim is in accordance with the Decree of the Board of Directors No. 058/092/DIR/KPT/KEP concerning the Establishment of a Gratuity Control Unit within PT Bank Pembangunan Daerah Jawa Timur Tbk dated March 11, 2019, are as follows:

Position	Position on Team
President director	Trustees/Directors
Director of Compliance and Human Capital	Person in charge
Head of Compliance and Governance Division	Chairman
Head of Human Capital Divisi Division	Vice Chairman
Head of Sub Division of Governance	Secretary
Corporate Secretary	Member
Head of Internal Audit Division	Member
Head of the Legal Division	Member

Gratuity 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 2021, there has been socialization of Gratuity Control and Integrity Pact Signing to all Bank Jatim Branches and Divisions. In addition, other media used in disseminating Gratuity control policies are through the installation of Anti-Gratuity banners at the Head Office and Branch Offices, Active Directory, as well as an appeal to all Bank Jatim partners not to give gratuities related to religious celebrations and the new year through the media. National newspapers and Bank Jatim social media.

Gratuity Report of 2021

During 2021, there were reports on gratuities submitted by Branches and Divisions to the UPG (Gratification Control Unit), including:

No	Date of Acceptance/ Rejection	Report Type (Acceptance/ Rejection)	UPG determination
1	May 07 2021	Rejection	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
2	May 10, 2021	Acceptance	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
3	May 07 2021	Rejection	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
4	Date unknown	Rejection	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
5	May 06 2021	Acceptance	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
6	May 07 2021	Acceptance	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
7	May 11, 2021	Acceptance	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
8	May 10, 2021	Rejection	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
9	May 06 2021	Rejection	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed
10	May 06 2021	Rejection	Based on the GOL application, it has been verified by UPG and only needs to be recorded and does not need to be processed

Anti-Corruption Training/Socialization for Employees

In order to improve the quality of resources and awareness of the importance of anti-corruption culture, Bank Jatim continuously participates in the following training/socialization:

No	Theme	Implementation date	Institution
1	E-Learning for Guidance on Gratification Control	5 – 7 April 2021	KPK
2	LHKPN Talkshow Webinar: How difficult is it to report LHKPN on time and accurately	7 September 2021	KPK
3	2 Days National Webinar with the Theme of a New Paradigm of Prevention and Eradication of Criminal Acts of Corruption Based on KPK Law no. 19 Years 2019	8 – 9 September 2021	National Institute of Management LPIMNAS . Central Institute
4	Compliance Training for Internal Supervisory Units (SPI)	21 – 23 September 2021	Asbanda
5	Urgency & Implementation of Financial Audits & Audits of State Losses and Tax Audits in BUMN/BUMD and Ministries, Privates, and GCG as Strategic and Concrete Steps in Preventing Corruption	21 – 23 September 2021	Indonesian Anti-Corruption Institute
6	Gratification Socialization	28 September 2021	KPK
7	Bimtek e-Registration (Admin Application & Coordination of Data Validation WL 2021	November 24, 2021	KPK
8	National Webinar with the theme of Perception of Corruption Crimes and the Paradigm of Corruption Prevention or Gratification as an Indication of Corruption and the Rights and Authorities of the KPK to Conduct Lawful Interception Based on the KPK Law Number 19 of 2019	24 – 25 November 2021	Indonesian Anti-Corruption Institute
9	Awarding the LHKPN Award: Inspirational Stories for Compulsory LHKPN 2021	December 8, 2021	KPK
10	The Peak Celebration of World Anti-Corruption Day (Hakordia) 2021	December 9, 2021	KPK

Code of Conduct

The Code of Conduct or Corporate Culture is a guideline that functions as:

1. Codification or compilation of policies, employee regulations that set standards of behavior both for Management and Employees in realizing GCG and the Bank's work culture.
2. Reference for every Bank employee in good and professional behavior to regulate themselves based on mutual interests with all stakeholders.
3. The basis for determining service products and various activities carried out by the Bank are deemed to have fulfilled the specified code of conduct, work ethics and business.
4. Reference to maintain a good relationship between the Bank's personnel and related external parties based on GCG principles and the application of behavior, work ethics and business. The implementation of the Code of Conduct is a must and must be obeyed by every Bank employee consistently showing that the Bank upholds cultural values as well as business ethics and behavior in carrying it out. As a code of conduct, and work and business ethics of the Bank, the Code of Conduct is in line with the vision and mission to be achieved by the Bank and supported by values that are upheld in accordance with the prevailing corporate culture.

Scope of Code of Conduct

Bank Jatim's Code of Conduct is regulated in manual book No. 058/116/DIR/PRS/KEP concerning code of conduct, work ethics and business (code of conduct) dated May 14, 2019. Implementation of the Code of Conduct is a must of which lead to making governance as a company culture that can be measured through guidelines for behavior and work & business ethics. The Code of Conduct is the main reference about the attitudes or actions that must be taken and which should not be carried out by Bank Jatim Personnel in carrying out daily activities within the Bank Jatim environment. This means that managers and employees are obliged to obey and comply with the code of conduct in Bank Jatim.

The scope of the Code of Conduct includes:

1. Company Relationships with Stakeholders, for example: guidelines for Bank organs and all employees.
2. 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	<ol style="list-style-type: none"> a. Forms of Relationships That Can Cause Conflicts of Interest <ol style="list-style-type: none"> 1. Family Relations; 2. Ownership Relationship; 3. Financial Relations; 4. Management Relations. b. Principles of Handling Conflicts of Interest <ol style="list-style-type: none"> 1. Must prioritize the economic interests of the Bank and prevent the Bank from losses that may arise or the possibility of reducing the Bank's profits; 2. Must disclose the condition of the conflict of interest; 3. The owner of the conflict of interest may not be involved in all stages/activities of the said decision. c. Creating Openness for Handling and Supervision of Conflicts of Interest <ol style="list-style-type: none"> 1. Bank management and employees must be open about the work they do; 2. Follow-up on public complaints related to conflicts of interest refers to the provisions of the Whistle Blowing System. 3. Every Management and Employee of the Bank 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 containing conflicts of interest that occur in their respective units. d. Efforts to Handle Conflicts of Interest <ol style="list-style-type: none"> 1. Handling conflicts of interest include the following: <ul style="list-style-type: none"> - Disclosure (Disclosure); 2. Through the means of Complaints Whistle Blowing System (WBS).
Gratuity Control	<ol style="list-style-type: none"> a. All Bank Officers and Employees are prohibited from giving or promising gratuities, either directly or indirectly, which are considered as providing bribes to civil servants or state administrators if the gift is related to their position and contrary to their obligations or duties; b. All Bank Officers and Employees are prohibited from accepting and requesting gratification which is considered a bribe, either directly or indirectly from any party to fulfill the policy/decision/treatment of the Bank's officials and employees under their position, authority, and responsibility; c. All Bank Officers and Employees are required to refuse gratuities that are considered bribes, either directly or indirectly received; d. The categories and procedures for reporting gratuities are regulated in more detail in the Circular Letter of the Board of Directors.

Human Capital	Information Technology	Corporate Governance	Corporate Social Responsibility
Political Activities		<ul style="list-style-type: none"> a. The Bank guarantees and respects the rights of the management and employees of the Bank to exercise their political rights in accordance with the provisions of the prevailing laws and regulations. The Bank will not impose the will/limit the rights of bank management and employees as individuals to be able to channel their political aspirations; b. The management and employees of the Bank can personally express their political aspirations freely without pressure from any party in accordance with the prevailing laws and regulations; c. Prohibited activities: <ul style="list-style-type: none"> 1. Bank management and employees are prohibited from becoming administrators of political parties and/or/candidates/members of the legislature; 2. Bank management and employees are prohibited from participating in election campaigns and/or being the executor of election campaigns; 3. Bank management and employees are prohibited from providing donations and other assistance in any form including the use of suggestions and infrastructure owned by the Bank for the activities of the Presidential Election, Election of Regional Heads or members of the legislature; 4. Based on the Law on Elections, Members of DPR, DPD, and DPRD, Bank management and employees who become campaigners may be subject to criminal sanctions and imprisonment as stipulated in the applicable Law. d. Resignation and Dismissal from Political Activities <p>Resignation and Bank employees who become Political Party Management/and/or legislative candidates/members are required to resign and/or be dismissed from their respective positions and obtain rights in accordance with applicable internal Bank regulations..</p>	
Business Ethics			
Bank Ethics With Employees		<p>Bank ethics with employees can be conveyed as follow:</p> <ul style="list-style-type: none"> a. Fair treatment of Bank employees; b. Assignments and Employee Activities Outside the Bank; c. Prohibition of Employee Involvement in Bank Securities Business Activities; d. Employee Discipline; e. Work environment; f. Employee Aspiration Channels; 	
Bank Ethics With Customers		<ul style="list-style-type: none"> a. Offer products and services in accordance with predetermined quality standards; b. Provide the best service to customers and following up on customer complaints fairly without discrimination; c. 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"> a. 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; b. The Bank does not treat goods and service providers who have become customers of the Bank in a special way; c. 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; d. Imposing sanctions against providers of goods and services who commit violations; e. Maintaining good communication with providers of goods and services including following up on complaints and objections; f. Leveraging good relationships with providers of goods and services as market intelligent and competitor intelligent; g. Applying the latest goods and service procurement technology; h. Every Bank employee is prohibited from requesting and / or receiving compensation, both financial and nonfinancial for personal gain; i. It is recommended that providers of goods and services understand and follow the Bank's provisions relating to procurement and services from external parties; j. 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"> a. Banks comply with the provisions of the antitrust law; b. Conduct market research to determine the competitor's position; c. 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"> a. Make mutually beneficial cooperation agreements with business partners; b. Uphold the agreed rules and procedures; c. Prioritizing the achievement of optimal results according to the best standards; d. 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"> a. 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; b. Employees must be aware not to cooperate with customers and / or parties who violate the law; c. 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; d. Fostering good relations and communication with the Central and Regional Governments, the Financial Services Authority, Bank Indonesia and other external parties; e. Applying best standards (best practices) with due observance of applicable regulations regarding service quality, products and services, health, safety, and the environment; f. Avoiding the practice of Corruption, Collusion and Nepotism (KKN) in dealing with the Government and Regulators.. 	

Performance Highlights	Report of The Board of Directors and Board of Commissioners	Company Profile	Management Discussion and Analysis of Bank Performance
Bank Ethics With Society	<ul style="list-style-type: none"> a. Development of the social sector, namely activities that have an impact on improving the quality of social, cultural, religious life and social welfare; b. Supporting environmental conservation efforts; c. Community economic development; d. Activities that are incidental in nature. 		
Bank Ethics With Mass Media	<ul style="list-style-type: none"> a. Providing relevant and balanced information to the mass media, including general, specific, strategic and sensitive information; b. The Bank appoints a spokesperson who represents the Bank in communicating with the media, namely: <ul style="list-style-type: none"> 1. President Director and Director; 2. Corporate Secretary; 3. Branch Managers. c. The Bank's communication tools with the mass media consist of press conferences, press releases, interviews and media inquiries; d. 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"> a. Making a mutual agreement regarding ethical standards that apply to fellow members of professional and regulatory organizations; b. Upholding an attitude of partnership and equality with fellow members of professional and regulatory organizations. 		

Compliance with Code of Conduct

The Code of Conduct applies to all management and employees in carrying out each of the Company's business activities and interacting between the Commissioners, Directors and employees with all stakeholders. The Company requires the signing of the Integrity Pact statement to be carried out as well as possible. The successful implementation of the Code of Conduct is 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:

1. Human Capital Portal
2. Compliance Portal
3. integrity pact
4. Campaign Program, Covering:
 - a. Printed advertising (posters, banners, hanging banners, stickers, and standing mika)
 - b. Other campaigns in the form of agenda, mouse pads, flashdisks, paper fans, umbrellas, tumblers, power banks, and pins



Pic 1.1

1.1 Salah satu bentuk kampanye risk culture adalah melalui penggunaan pin pada sebelah kiri seragam.

- c. Corporate Portal and Identity
- d. Quiz
- e. Social Media
 - Employee Involvement Campaign including Expression song creation competition
 - Leaders Talks Values

Efforts for Implementation and Enforcement of the Code of Conduct

Implementation of the code of ethics is an obligation for the management and employees of the Bank. This code of conduct will always be used as a guide in the preparation of policies, manuals/procedures and management practices. In order to build commitment to the implementation of the code of ethics, all management and employees will apply the code of ethics with commitment and consistency, which is documented through the signing of the Integrity Pact or Statement of Attitudes of Bank Jatim personnel regarding the implementation of the Code of Conduct. This integrity pact is valid until the person concerned is not actively working at Bank Jatim.

Types of Violations of Code of Conduct

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
 - Verbal Rebuke
 - Surat Peringatan
 - 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 Kriteria
2. Criteria for Disciplinary Violations
 - a. Violation of Authority & Procedure
 - b. On purpose
 - c. Financial/Finansial

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 Implemented

No.	Branch/ Division	Violation	Parties Involved	Sanctions
1.	Branch	Operational Procedure Violation	2	Written warning Written warning
2.	Branch	Operational Procedure Violation	1	Written warning
3.	Branch	Fraud related to Customer Fund	1	Written warning
4.	Branch	Fraud related to Customer Fund	6	Level 1 Demos Written warning Written warning Written warning Dissatisfied statement
5.	Branch	Charges that are not in accordance with the provisions	7	Salary increase delay Personal grade drop Personal grade drop Salary increase delay Salary increase delay Salary increase delay Salary increase delay
6.	Branch	Credit procedure violation	4	Disrespectfully dismissed Disrespectfully dismissed Salary increase delay Disrespectfully dismissed
7.	Branch	Credit procedure violation	1	Level 1 Demos
8.	Branch	Fraud related to Customer Fund	1	Salary increase delay
9.	Branch	Violation of employee rules	14	Written warning Written warning Written warning Written warning Written warning Written warning Written warning Written warning Written warning Written warning Written warning Written warning Written warning Written warning

No.	Branch/ Division	Violation	Parties Involved	Sanctions
10.	Branch	Credit Procedure Violation	4	Level 1 Demos
				Salary increase delay
				Personal grade drop
				Personal grade drop
11.	Branch	Fraud related to Customer Fund	5	Dissatisfied statement
				Dissatisfied statement
				Dissatisfied statement
				Dissatisfied statement
12.	Branch	Fund Operational Violation	1	Disrespectfully dismissed
13.	Branch	Credit Procedure Violation	1	Dissatisfied statement
14.	Branch	Fund Operational Violation	4	Dissatisfied statement
				Written warning
				Written warning
				Written warning
15.	Branch	Fraud related to Customer Fund	2	Written warning
				Written warning
16.	Branch	Credit Procedure Violation	4	Written warning
				Written warning
				Written warning
				Written warning
17.	Branch	Credit Procedure Violation	4	Dissatisfied statement
				Dissatisfied statement
				Personal grade drop
				Dissatisfied statement
18.	Branch	Violation of employee rules	2	Written warning
				Written warning
19.	Branch	Credit Procedure Violation	1	Personal grade drop
20.	Branch	Violation of employee rules	1	Personal grade drop
21.	Branch	Credit Procedure Violation	7	Dissatisfied statement
				Personal grade drop
				Dissatisfied statement
				Personal grade drop
				Personal grade drop
				Salary increase delay
				Salary increase delay
22.	Branch	Fraud related to Customer Fund	4	Level 1 Demos
				Written warning
				Written warning
				Written warning
23.	Branch	Operational Procedure Violation	2	Salary increase delay
				Written warning
24.	Branch	Operational Procedure Violation	2	Salary increase delay
				Salary increase delay

No.	Branch/ Division	Violation	Parties Involved	Sanctions
25.	Branch	Operational Procedure Violation	2	Level 1 Demos
				Level 1 Demos
26.	Branch	Fraud related to Customer Fund	1	Level 1 Demos
27.	Branch	Credit Procedure Violation	1	Disrespectful dismissal

Whistleblowing System

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 antifraud 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:

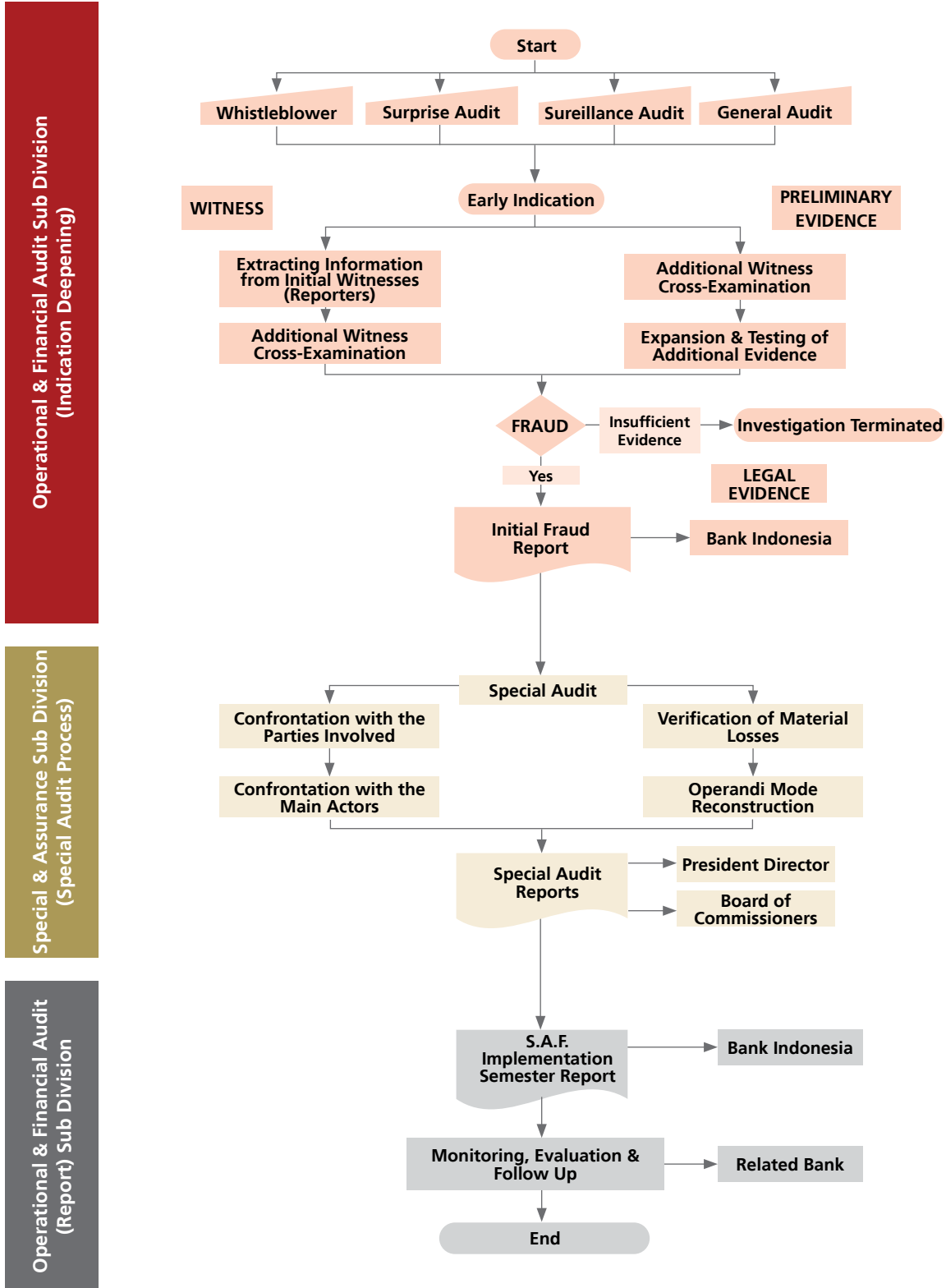
1. Reviewing information entered through the whistleblower or from the results of the examination of the Bank's internal audit team and collecting evidence of both physical evidence, information on the scene (other information) and summons of witnesses related to the type of irregularities that occurred 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



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 2021 there were 11 (eleven) reports through the whistleblower facility with details as follows:

No	Description	Number of Complaints
1	Number of Complaints in 2021	11 Complaints
2	Number of Complaints Processed	10 Complaints
3	Number of Complaints That Have Been Processed	10 Complaints
4	Number of Unfinished Complaints Processed	-

Sanctions/Follow Up on Complaints in 2021

Complaints that have been processed and proven are then given sanctions in accordance with the applicable provisions in the reward and punishment policy of Bank Jatim.

Complaints that have been processed in 2021	Total	Sanctions/ Follow Up
Proven	10	10
Not proven	1	1

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. As the provisions have been revoked and

regulated in the Decree of the Board of Directors No. 060/03/47/ DIR/KPT/KEP dated November 25, 2021, regarding the SOP for State Assets Report (LHKPN). Decree of the Board of Directors No. 060/03/47/DIR/KPT/KEP dated November 25, 2021, regarding the SOP for the State Assets Report (LHKPN) regulates the following:

1. Organization
 - a. Cooperation between KPK and Bank
 - b. LHKPN Management Unit (UPL)
 - c. Mandatory Report LHKPN
2. Implementation Procedure
 - a. Registration
 - b. Reporting Process
 - c. LHKPN Repair Mechanism
 - d. Announcement of Mandatory Reporting LHKPN
 - e. Power of attorney
3. Administration and Sanctions
 - a. Administration
 - b. Penalty

Mandatory LHKPN Report

In accordance with the Corruption Eradication Commission Regulation No. 07 of 2016 concerning Procedures for Registration, Announcement and Examination of State Administrators' Assets, as had been updated in the Corruption Eradication Commission Regulation No. 2 of 2020, State Administrators were required to submit LHKPN to the KPK. Therefore, those categorized as mandatory reporting within the Bank were adjusted to Law no. 28 of 1999 as follows:

1. Board of Commissioners
2. Sharia Supervisory Board
3. Directors
4. SEVP
5. Division Leader
6. Branch Leader

LHKPN Management Unit (UPL)

In accordance with the Decree of the Board of Directors No. 059/258/DIR/KPT/KEP dated September 22, 2020 regarding the Appointment of Agency Admins and Admin Work Units for E-LHKPN Application Management in Bank Jatim as follows:

1. Agency Admin

Managed by the Compliance Unit with organs:

1. Supervisor is the Head of Compliance and Governance Division;
2. The person in charge is the Head of the Compliance Sub Division;
3. The implementer is the Business Governance and Ethics Group.

It has the duties and authorities to:

1. Coordinate with the KPK regarding regulatory changes and management of e-lhkpn applications within the Bank;
2. Conduct socialization to PN/WL on external provisions and internal provisions regarding LHKPN;
3. Manage the LHKPN e-registration application within the Bank through the e-LHKPN application which includes:

- a. Registering and activating PN/WL data that must report LHKPN using the e-lhkpn application (e-registration menu);
 - b. Updating PN/WL LHKPN staffing data that has changed data in the Bank environment on the e-lhkpn application (e-registration menu);
 - c. Verifying the updating of PN/WL LHKPN data by the Work Unit Admin;
4. Facilitate LHKPN PN/WL who experience technical problems when using the e-lhkpn application;
 5. Obtain information from the KPK on LHKPN that has not submitted the LHKPN and/or make improvements to the LHKPN that has been verified by the KPK;
 6. Monitor the compliance level of PN/WL in carrying out LHKPN reporting to the KPK;
 7. Have the independence to issue warning letters or administrative sanctions for PN/WL who do not submit LHKPN within the specified time limit.

2. Work Unit Admin

Managing a work unit authorized to handle human capital with the following organs:

1. The supervisor is the Head of the Human Capital Division;
2. The person in charge is the Head of the Operational Sub-Division;
3. Implementers are the Recruitment Data Group, Assessment Center and Personnel Data.

It has the duties and authorities to:

Manage the e-lhkpn application (e-registration menu) within the Bank's work unit through the e-lhkpn application which includes:

1. Update PN/WL LHKPN staffing data that has changed data in the Bank environment on the e-lhkpn application (e-registration menu);
2. Coordinate with agency admins on changes to data within the Bank.

LHKPN Reporting until the end of the 2020 period, of the 11 (eleven) Reporting Obligations, all of the Reporting Obligations or 100% fulfilled their reporting obligations in a timely manner. While the LHKPN reporting at the end of the 2021 period added the number of Reporting Obligations to 72 (seventy two) people in which the report was submitted in January 2022 to March 2022.

Shares Buyback and Bond Buyback

During 2021, the Company did not carry out share buybacks and bond buybacks

Bank Strategic Plan

Descriptions related to the Bank's Strategic Plan are presented in the Management Discussion and Analysis Chapter of this Annual Report.

Provision of Funds to Related Parties and Provision of Large Funds

Descriptions related to Provision of Funds to Related Parties and Provision of Large Funds are presented in the Management Discussion and Analysis Chapter of this Annual Report.

Transactions Containing Conflict of Interest

The forms of Conflict of Interest include, among others:

1. Gratification
2. Misappropriation of Assets
3. Misuse of confidential/important information
4. Position Traps
5. Granting special access that violates the procedure
6. Unprofessional supervision
7. Subjective and not independent assessment
8. Decision on licensing, allocation/budget, investment
9. Determination of partners (procurement)
10. Recruitment, hiring, performance appraisal
11. Use of information
12. Commercialization of public services

An activity 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. 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 2021, there were no transactions that contained a conflict of interest.

Total Internal Frauds and Remedies

Internal Fraud in 1 Year	Number of frauds committed (Internal)					
	Members of the Board of Commissioners and Members of the Directors		Permanent employee		Non-Permanent Employees	
	Previous Year (2020)	Current Year (2021)	Previous Year (2020)	Current Year (2021)	Previous Year (2020)	Current Year (2021)
Total Fraud	-	-	37	25	2	5
Resolved	-	-	37	11	2	4
In the Process of Settlement at Internal Bank	-	-	-	11	-	-
Completion Not Yet Attempted	-	-	-	3	-	1
Have Followed Up Through Legal Process	-	-	-	-	-	-

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:

1. 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:
 - a. Commissioners, Directors or Employees of the Issuer;
 - b. The main shareholder of the issuer;
 - c. Individuals who because of their position or profession or because of their business relationship with the issuer or public company enable that person to obtain information; or
 - d. A party who within the last 6 (six) months is no longer a party as referred to in letters a, b, c above.

2. Have inside information

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 2021, 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:

1. Monthly and Quarterly Financial Statements that have been submitted and published to the Regulator and on the Bank's website.
2. Annual Reports that have been submitted and published to the Regulator and on the Bank's website.
3. Corporate Governance Information such as:
 - a. Vision and mission of the Bank
 - b. Composition and Profile of the Board of Commissioners and Board of Directors
 - c. Guidelines and Rules of Committee
 - d. Corporate Governance Practices
4. Information on Bank's Products and Services such as e-forms of credit along with a wide spread of Office Networks making it easier for customers, investors to access such information.
5. Information that aims to educate customers such as banking services, banking mediation, customer complaints mechanisms, banking security tips and magazines/bulletins for Bank Jatim which can be downloaded via the Company's website..

Application of Guidelines Open Corporate Governance

The implementation of the aspects and principles of public company governance is regulated in OJK Regulation No. 21/POJK.04/2015 concerning Implementation of Public Company Governance Guidelines and OJK Circular Letter No. 32/SEOJK.04/2015 concerning Guidelines for Good Corporate Governance, which regulates 5 (five) aspects, 8 (eight) principles and 25 (twenty five) recommendations for the application of governance principles. The implementation of the recommendations at Bank Jatim 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. 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</p> <p>Bank Jatim has rules for the General Meeting of Shareholders (GMS) which are regulated in the Company's Articles of Association deed number 1 dated May 1, 1999.</p> <p>Bank Jatim had rules for the general meeting of shareholders (GMS) 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</p> <p>At the 2021 Fiscal Year GMS, all members of the Board of Directors and members of the Board of Commissioners were present.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
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</p> <p>Minutes of the AGMS and EGMS in Indonesian and English are available on the Website and can be downloaded until Fiscal Year 2020.</p>
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. 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</p> <p>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</p> <p>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</p> <p>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>

No	Aspect; Principle; Recommendation	Comply or Explain
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</p> <p>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>
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. 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</p> <p>The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners which is regulated in the Decree of the Board of Directors Number 059/009/DK/KEP dated December 22, 2020 regarding the Amendment to the Decree of the Board of Commissioners Number 059/005/DK/KEP dated April 29 2020 concerning Working Paper on 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</p> <p>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. 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</p> <p>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</p> <p>The succession policy in the nomination process for members of the Board of Directors is regulated in the Guidelines for the Implementation of the Committee of the Board of Commissioners number 058/002/DK/KEP dated 23 April 2019 and its amendments are in accordance with the Decree of the Board of Commissioners Number 060/02/DK/KEP dated 15 January 2021.</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</p> <p>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 has also been adjusted to the members of the Bank's Board of Commissioners, which consist of 6 (six) Board of Commissioners with the current composition of 3 (three) people and the effectiveness of decision-making carried out by the Board of Directors.</p>
C.1.2.	<p>Recommendation 13 : 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</p> <p>The determination of the composition of the members of the Board of Directors has taken into account the diversity of expertise, knowledge and experience required which is clearly stated in the Decree of the Board of Directors number 057/206/DIR/CSE/KEP dated June 07, 2018 concerning the Board of Directors Work Manual, namely the Special Requirements and the amendments according to the Decree of the Board of Directors. Number 060/044/DIR/ CSE/KEP dated February 9, 2021 concerning the Fourth Amendment to the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 056/006/DIR/ CSE/KEP dated January 17, 2017 concerning the Work Manual for the Directors of PT Bank Pembangunan Region of East Java Tbk.</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. 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>Comply</p> <p>Finance Director Profile Name : Ferdian Timur Satyagraha Education : - 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. 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 selfassessment 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. 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</p> <p>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>	<p>Comply</p> <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.</p>
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</p> <p>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>
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. 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. 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</p> <p>Bank Jatim has a policy regarding the procurement of goods and services which is regulated in the Decree of the Board of Directors number 060/03/34/DIR/UMM/KEP dated October 4, 2021 regarding the SOP for the Procurement of Goods/Services.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
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</p> <p>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</p> <p>The Public Company has a whistleblowing system policy which is clearly disclosed in the Decree of the Board of Directors Number 060/22/DIR/AU/KEP dated January 28, 2021 concerning Guidelines for Implementing the Anti Fraud Strategy of PT. Regional Development Bank of East Java Tbk</p>
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 long-term 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. 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</p> <p>The Public Company has a policy of providing long-term incentives to the Board of Directors and employees which is clearly stated in the Decree of the Board of Commissioners No. 059/003/DK/KEP dated April 27, 2020 regarding the Implementation of Governance for Providing Remuneration for the Board of Commissioners and Directors and Their Facilities PT Bank Pembangunan Daerah Jawa Timur Tbk.</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> <p>The Bank utilizes the use of information technology more broadly in addition to the Website as a medium for information disclosure that increases the effectiveness of the information dissemination, including the following :</p> <ul style="list-style-type: none"> • Instagram @Bank Jatim • Facebook @Bank Jatim • Twitter @Bank Jatim • Youtube @Bank Jatim

No	Aspect; Principle; Recommendation	Comply or Explain
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</p> <p>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	<p>The Board of Commissioners carried out its responsibilities in accordance with the provisions as stipulated in:</p> <ul style="list-style-type: none"> - Decree of the Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 regarding the Work Guidelines for the Board of Commissioners - Decree of the Board of Commissioners Number 059/009/DK/KEP dated December 22, 2020 concerning Work Paper on the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk <p>One of them was that the Board of Commissioners provided opinions and suggestions on the Annual Work Plan and Budget and provided advice on matters deemed important by the Company.</p>
Principle 2 Qualification and Composition of the Board of Commissioners.	Members of the Board of Commissioners must have qualities in accordance with their duties and responsibilities, both individually and collectively. The Board of Commissioners must understand its role in the supervision and implementation of corporate governance, and be able to carry out sound and objective decision-making.	The Board of Commissioners of Bank Jatim had met the qualifications and composition in accordance with applicable regulations. This was also regulated in the Bank's internal provisions SK Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning the Work Guidelines for the Board of Commissioners. One of the components fulfilled was that 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 Shareholder or relationship with the Bank, affecting the ability of the person concerned to act independently as stipulated in the provisions on the Implementation of Good Corporate Governance for Commercial Banks and sign an Independent Statement Letter.
Prinsip 3 Struktur dan Mekanisme Dewan Komisaris.	The Board of Commissioners must establish appropriate governance structures and practices in carrying out their duties and periodically review their effectiveness.	The Board of Commissioners has committees under the Board of Commissioners that assist the implementation of the duties of the Board of Commissioners, namely the Audit Committee, Remuneration and Nomination Committee and the Risk Monitoring Committee. This has also been accommodated in the internal provisions of Bank Jatim SK Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning the Work Guidelines for the Board of Commissioners.
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 manages the Company under the direction and supervision of the Board of Commissioners as reflected in the Governance Structure of Bank Jatim Decree of the Board of Directors Number 058/158/DIR/PRS/KEP dated 17 June 2019.

Principle	Explanation	Implementation at Bank Jatim
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 have knowledge and understanding of the main business and the company's main risks, as evidenced by the passing of the entire Board of Commissioners and Board of Directors from the Fit and Proper Test. The Board of Directors and the Board of Commissioners also continuously participate in training and development to improve their abilities. This is regulated in the internal provisions of Bank Jatim: <ul style="list-style-type: none"> - Decree of the Board of Directors Number 060/044/DIR/CSE/KEP dated February 9, 2021 regarding the Work Guidelines for the Board of Directors - Decree of the Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 regarding the Work Guidelines for the Board of Commissioners
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 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 remuneration of Bank Jatim refers to the Decree of the Board of Commissioners No. 059/003/DK/KEP dated April 27, 2020 regarding the Implementation of Governance for Providing Remuneration for the Board of Commissioners and Directors and Their 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 Bank.

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. Board of Commissioners
2. Board of Commissioners Committee
3. Corporate Secretary
4. Internal Audit Division
5. Compliance & Governance Division
6. Corporate Risk Management Division
7. Intermediate, Corporate & Syndicated Credit Division
8. Operations Division
9. Funds & Services Division
10. Information Technology Division
11. Financial Control Division
12. Strategic Planning & Performance Management Division

The Score of Assessment

Table of GCG Assessment Results

	Value (%)	Jun 2021	Des 2021
		Score x Value	
Implementation of Duties and Responsibilities of the Board of Commissioners	10	0.26	0.3
Implementation of the Duties and Responsibilities of the Board of Directors	20	0.6	0.6
Completeness and Implementation of Committee Duties	10	0.3	0.3
Handling Conflicts of Interest	10	0.21	0.21
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	0.09	0.09
Implementation of the Risk Management Function, Including the Internal Control System	7.5	0.19	0.19
Provision of funds to related parties and large debtors (Large Exposure)	7.5	0.15	0.12
Transparency of Financial and Non-Financial Conditions, GCG Implementation Reports and Internal Reports	15	0.25	0.23
Bank Strategic Plan	5	0.1	0.1
Total Score		2.45	2.44
Rating		2	2

Recommendations and Follow Up

During 2021, 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 2021, the Company did not take any actions and policies relating to the practice shown in the table as follows:

No.	Description	Practice
1.	There are reports of companies polluting the environment.	Nil
2.	Important cases being faced by the company, subsidiaries, members of the Board of Directors and/or members of the Board of Commissioners who are currently serving are not disclosed in the Annual Report.	Nil
3.	Non-compliance in fulfilling tax obligations.	Nil
4.	Incompatibility of presentation of annual reports and financial statements with applicable regulations and SAK.	Nil
5.	Cases related to labor and employees.	Nil
6.	There is no disclosure of operating segments in listed companies.	Nil
7.	There is a discrepancy between LT hardcopy and LT softcopy.	Nil



Corporate Social Responsibility



bankjatim



KANTOR KAS



Bank Jatim implements its social responsibility activities by referring to the principle of sustainability. Bank Jatim always considers the impact of every decision and its business activities on society and the natural environment through transparent and ethical behavior.

Bank Jatim is committed to implementing sustainable principles that are able to create economic, social and ecological values in the process and at the level of policy and decision making that can drive the Bank's success while still contributing to the achievement of sustainable development goals. Sustainable development goals include ensuring the integrity of the environment as well as the safety, capabilities, well-being and quality of life of present and future generations.

As a financial services institution, the implementation of corporate social responsibility at Bank Jatim refers to POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions of Issuers and Public Companies and the international standard, namely ISO 26000. In accordance with the Circular Letter of the Financial Services Authority No. 16 /SEOJK.04/2021 Regarding the Form and Contents of the Annual Report of Issuers or Public Companies Information on corporate social responsibility, especially related to sustainable governance, sustainable economic performance, sustainable environmental performance and sustainable social performance is submitted in the Sustainability Report which is presented separately from the Annual Report .

OJK and ARA Reference Index

Criteria	Explanation	Page	Regulasi/ Best Practices
GENERAL			
The annual report should be presented in good and correct Indonesian, and it was recommended to present it also in English.			
The annual report should be printed in good quality and uses an easy-to-read type and size.			
The annual report clearly stated the company's identity.	The company name and year of the annual report should be displayed on:		
	1. Face cover;		
	2. Side;		
	3. Back cover; and		
	4. Every page.		
The annual report should be available on the company website.			
PERFORMANCE HIGHLIGHTS			
The summary of important financial data contained financial information presented in the form of a comparison for 3 (three) financial years or since starting its business if the Issuer or Public Company had been running its business activities for less than 3 (three) years.	Information in the annual reports includes the following:	22 -26	
	1. Revenue/sales;		SEOJK 9 SEOJK 16
	2. Gross profit;		SEOJK 16 ARA
	3. Profit (loss);		SEOJK 16
	4. Total profit (loss) attributable to owners of the parent entity and non-controlling interests;		SEOJK 9 SEOJK 16 ARA
	5. Total comprehensive profit (loss);		SEOJK 16
	6. Total comprehensive profit (loss) attributable to owners of the parent entity and non-controlling interests;		SEOJK 9 SEOJK 16 ARA
	7. Earnings (loss) per share;		SEOJK 16
	8. Total assets;		SEOJK 9 SEOJK 16 ARA
	9. Total liabilities;		SEOJK 16
	10. Total equity;		SEOJK 9
	11. Ratio of profit (loss) to total assets;		
	12. Ratio of profit (loss) to equity;		
	13. Ratio of profit (loss) to income/sales;		
	14. Current ratio;		
	15. Ratio of liabilities to equity;		
	16. Ratio of liabilities to total assets;		
	17. CAR ratio;		
	18. Ratio of Return on Assets (ROA);		
	19. Ratio of Return on Equity (ROE);		
	20. Productive Assets;		
	21. Ratio of Non-performing Loans (NPL);		
	22. Ratio of Operating Expenses to Operating Income (BOPO);		
23. Cost to Income Ratio (CIR);			

Criteria	Explanation	Page	Regulasi/ Best Practices
	24. Net Interest Margin Ratio (NIM);	22 -26	SEOJK 9
	25. Percentage of violations and exceeding the Maximum Lending Limit (BMPK);		
	26. Statutory Reserves Ratio (GWM);		
	27. Ratio of Net Open Position (GDP); and		
	28. Information and other financial ratios relevant to the issuer or public company and the type of industry.		SEOJK 9 SEOJK 16 ARA
Stock Price Information	Share information for a Public Company should at least contain:	27 - 29	SEOJK 16 ARA
	1. Shares issued for each quarterly period were presented in the form of a comparison for the last 2 (two) financial years, at least containing:		
	a. Number of outstanding shares;		
	b. Market capitalization based on the price on the stock exchange where the shares were listed;		
	c. The highest, lowest and closing share prices were based on prices on the stock exchange where the shares are listed; and		
	d. Trading volume on the stock exchange where the shares are listed.		
	Information in letter b), letter c) and letter d) is only disclosed if the shares are listed on the stock exchange;		
	2. In the event of a corporate action causing changes in shares, such as stock splits, reverse stock, stock dividends, bonus shares, changes in the nominal value of shares, issuance of conversion securities, as well as capital additions and deductions, stock information as referred to in number 1) should be added with at least an explanation regarding:		SEOJK 16 ARA
	a. The date of implementation of the corporate action;		
	b. The ratio of stock splits, reverse stock, stock dividends, bonus shares, the number of convertible securities issued, and changes in the nominal value of shares;		
	c. Number of outstanding shares before and after the corporate action;		
	d. Number of conversion effects executed (if any); and		
	e. Share prices before and after corporate actions;		
	3. In the event of a temporary suspension of share trading (suspension) and/or delisting of shares in the financial year, the should be explained; and		SEOJK 16
4. In the event that the temporary suspension of share trading as referred to in number 3) and/or the delisting process was still ongoing until the end of the Annual Report period, it explained the actions taken to resolve the temporary suspension of share trading and/ or cancellation of the share listing (delisting).	SEOJK 16		

Criteria	Explanation	Page	Regulasi/ Best Practices	
Information on bonds, sukuk or convertible bonds that were still outstanding in the last 2 (two) financial years. Reports of the Board of Directors and the Board of Commissioners	Information contained:	29	ARA	
	1. Number of outstanding bonds/sukuk/convertible bonds;			
	2. Interest rate/yield;			
	3. Due date; and			
	4. Bond/sukuk ratings for 2020 and 2021.			
Note: if the company did not have bonds/sukuk/convertible bonds, it had to be disclosed.				
REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS				
Board of Directors' Report	The Board of Directors' report should at least contain a brief description of:	36 - 49	SEOJK 9 SEOJK 16 ARA	
	1. Performance of Issuers or Public Companies, at least containing:			
	a. Issuer's or Public Company's strategy and strategic policies;			SEOJK 9 SEOJK 16 ARA
	b. The role of the Board of Directors in formulating strategies and strategic policies of Issuers or Public Companies;			SEOJK 16
	c. The process carried out by the Board of Directors to ensure the implementation of the Issuer's or Public Company's strategy;			SEOJK 9 SEOJK 16 ARA
	d. Comparison between the results achieved with those targeted by the Issuer or Public Company; and			SEOJK 9 SEOJK 16 ARA
	e. Constraints faced by Issuers or Public Companies;			SEOJK 9
	f. Organizational structure;			
	g. Main activity;			
	h. Information Technology;			
	i. Types of products and services offered, including lending to micro, small and medium business debtors;			
	j. Interest rates for raising and providing funds;			
	k. Economic development and target market;			
	l. Network and business partners at home and/or abroad;			
	m. Number, type and location of offices;			
	n. Ownership of the Board of Directors, Board of Commissioners and shareholders in the Bank's business group;			
	o. Important changes that occurred in the Bank and the Bank's business group in the relevant year;			SEOJK 9 SEOJK 16 ARA
	p. Important things that are expected to happen in the future; and			
	q. Human resources include the number, level of education, training, and human resource development.			
	2. Description of the business prospects of the Issuer or Public Company; and			
3. Implementation of the governance of Issuers or Public Companies.	SEOJK 9 ARA			
4. Changes in the composition of the members of the Board of Directors (if any) and the reasons for the changes.	SEOJK 9 ARA			

Criteria	Explanation	Page	Regulasi/ Best Practices
Board of Commissioners Report	The report of the Board of Commissioners should at least contain a brief description about:	50 - 57	SEOJK 16
	1. Assessment of the performance of the Board of Directors regarding the management of Issuers or Public Companies, including the supervision of the Board of Commissioners in the formulation and implementation of strategies for Issuers or Public Companies carried out by the Board of Directors;		
	2. Views on the business prospects of the Issuer or Public Company prepared by the Board of Directors; and		
	3. Views on the implementation of the governance of the Issuer or Public Company.		
	4. Changes in the composition of the Board of Commissioners (if any) and the reasons for the changes.		SEOJK 9 SEOJK 16 ARA
Signatures of members of the Board of Directors and Board of Commissioners	Contains the following:	58 - 59	ARA
	1. The signature was written on a separate sheet;		
	2. A statement that the Board of Commissioners and the Board of Directors were fully responsible for the correctness of the contents of the annual report;		
	3. Signed by all members of the Board of Commissioners and members of the Board of Directors stating their names and positions; and		
	4. A written explanation in a separate letter from the person concerned in the event that a member of the Board of Commissioners or a member of the Board of Directors did not sign the annual report, or a written explanation in a separate letter from another member in the event that there was no written explanation from the person concerned.		
COMPANY PROFILE			
Company name and full address	Access to Issuers or Public Companies including branch offices or representative offices that allowed the public to obtain information about Issuers or Public Companies, including:	62	SEOJK 16 ARA
	1. Address;		
	2. Telephone number;		
	3. Electronic mail address; and		
	4. Website address;		
Name and address of the subsidiary and/or branch office or representative office (if any)	It contained information including:	63 - 64	SEOJK 16 ARA
	1. Name and address of the subsidiary; and 2. Name and address of branch/representative office.		
	Note: if the company did not have a subsidiary, branch office, and representative office, it should be disclosed.		
Brief history of the Issuer or Public Company;	It included: date/year of establishment, name, change of company name (if any), and effective date of change of company name.	66 - 67	SEOJK 16 ARA
	Note: if the company had never changed its name, it should be disclosed.		
Business fields	It described:	72 - 89	SEOJK 16 ARA
	1. The company's business activities according to the latest articles of association;		
	2. Business activities carried out; and		
	3. Products and/or services produced.		

Criteria	Explanation	Page	Regulasi/ Best Practices
Vision, Mission and Corporate Culture	It included:	68 - 71	SEOJK 16 ARA
	1. Company vision;		
	2. Company mission;		
	3. Information that the vision and mission had been reviewed and approved by the Board of Directors/Board of Commissioners for the financial year; and		
	4. A statement regarding the corporate culture of the Company.		
Operational Area	Operational area of Issuer or Public Company; operational area was the area or area for the implementation of operational activities or the range of the company's operational activities.	90 - 92	SEOJK 16 ARA
Organizational structure	The organizational structure of the Issuer or Public Company in the form of a chart, at least up to the structure of 1 (one) level below the Board of Directors including committees under the Board of Directors (if any) and committees under the Board of Commissioners, accompanied by names and positions.	92 - 93	SEOJK 16 ARA
Association Member	List of industry association memberships both on a national and international scale related to the implementation of sustainable finance.	131	SEOJK 16
Board of Directors Profile	Profile of the Board of Directors, at least contained:	94 - 99	SEOJK 16 ARA
	1. Name and position in accordance with the duties and responsibilities;		
	2. Recent photos;		
	3. Age;		
	4. Citizenship;		
	5. Educational history and/or certification;		
	6. Position history, including information on:		
	a. The legal basis for appointment as a member of the Board of Directors of the Issuer or Public Company concerned;		
b. Concurrent positions, either as a member of the Board of Directors, member of the Board of Commissioners, and/or committee member as well as other positions both inside and outside the Issuer or Public Company. In the event that a member of the Board of Directors does not have concurrent positions, then this was disclosed; and	SEOJK 16		
c. Work experience and period of time both inside and outside the Issuer or Public Company;			
7. Affiliation with other members of the Board of Directors, members of the Board of Commissioners, major shareholders, and controllers either directly or indirectly to individual owners, including names of affiliated parties. In the event that a member of the Board of Directors had no affiliation, the Issuer or Public Company should disclose this matter; and			
8. Changes in the composition of the members of the Board of Directors and the reasons for the changes. In the event that there was no change in the composition of the members of the Board of Directors, this matter should be disclosed;			

Criteria	Explanation	Page	Regulasi/ Best Practices
Board of Commissioners Profile	Profile of the Board of Commissioners, at least contained:	100 - 106	SEOJK 16 ARA
	1. Name and position;		
	2. Recent photos;		
	3. Age;		
	4. Citizenship;		
	5. Educational history and/or certification;		
	6. Position history, including information on:		
	a. Legal basis for appointment as member of the Board of Commissioners;		
	b. The legal basis for the first appointment as a member of the Board of Commissioners who was an independent commissioner of the Issuer or Public Company concerned;		
c. Concurrent positions, either as a member of the Board of Commissioners, member of the Board of Directors, and/or committee member as well as other positions both inside and outside the Issuer or Public Company. In the event that a member of the Board of Commissioners did not have concurrent positions, then this should be disclosed;			
d. Work experience and period of time both inside and outside the Issuer or Public Company;			
7. Affiliation with other members of the Board of Commissioners, major shareholders, and controllers, either directly or indirectly, to individual owners, including names of affiliated parties; In the event that a member of the Board of Commissioners had no affiliation, the Issuer or Public Company should disclose this matter;	SEOJK 16		
8. Statement of independence of the independent commissioner in the event that the independent commissioner had served more than 2 (two) terms; and			
9. Changes in the composition of the members of the Board of Commissioners and the reasons for the changes. In the event that there was no change in the composition of the members of the Board of Commissioners, this matter should be disclosed;			
Number of employees and data on employee competency development.	Number of employees by gender, position, age, education level, and employment status (permanent/contracted) in the financial year;	120 - 123	SEOJK 16 ARA
	Disclosure of information could be presented in tabular form.		
Composition of shareholders	Name of shareholders and percentage of ownership at the beginning and end of the financial year consisted of information regarding:	124 - 128	SEOJK 16 ARA
	1. Shareholders owning 5% (five percent) or more shares of the Issuer or Public Company;		
	2. Members of the Board of Directors and members of the Board of Commissioners owning shares of Issuers or Public Companies. In the event that all members of the Board of Directors and/or all members of the Board of Commissioners did not own shares, then this matter should be disclosed;		
	3. Percentage of indirect ownership of shares of Issuers or Public Companies by members of the Board of Directors and members of the Board of Commissioners at the beginning and end of the financial year, including information on shareholders registered in the shareholder register for the benefit of indirect ownership of members of the Board of Directors and members of the Board of Commissioners;		
In the event that all members of the Board of Directors and/or all members of the Board of Commissioners did not have indirect ownership of the shares of the Issuer or Public Company, this matter should be disclosed.			

Criteria	Explanation	Page	Regulasi/ Best Practices
	Community shareholder group, namely the group of shareholders who each owned less than 5% (five percent) of the shares of the Issuer or Public Company;		SEOJK 16 ARA
	4. Number of shareholders and percentage of ownership at the end of the financial year based on classification:		
	a. Ownership of local institutions;	124 - 128	
	b. Ownership of foreign institutions;		SEOJK 16
	c. Local individual ownership; and		
	d. Foreign individual ownership;		
	The above information could be presented in tabular form.		
Major and controlling shareholders	Information regarding the main and controlling shareholders of the Issuer or Public Company, either directly or indirectly, to the individual owners presented in the form of a scheme or chart;	128	SEOJK 16
List of subsidiaries and/or associated entities	The name of the subsidiary, associated company, joint venture company where the Issuer or Public Company had joint control of the entity (if any), along with the percentage of share ownership, line of business, total assets, and operating status of the subsidiary, associated company, joint venture company.	129	SEOJK 16 ARA
	For a subsidiary, information about the address of the subsidiary was added.		
Information related to the Bank Business Group		129	SEOJK 9
Company group structure	Company group structure in the form of a chart depicting parent entities, subsidiaries, associates, joint ventures, and special purpose vehicles (SPV).	129	SEOJK 16 ARA
Share listing chronology	Chronology of share listing, number of shares, nominal value, and offering price from the beginning of listing to the end of the financial year as well as the name of the stock exchange where the shares of the Issuer or Public Company were listed, including stock splits, reverse stock, stock dividends, bonus shares, and changes in the nominal value of shares, implementation of conversion effects, implementation of capital additions and subtractions (if any);	129 - 131	SEOJK 16 ARA
Chronology of securities issuance (including private placement) and/or share listing from the initial issuance to the end of the financial year.	Other securities listing information that had not matured in the financial year at least included the name of the securities, year of issue, interest rate/yield, maturity date, offering value, and rating of securities (if any);	132	SEOJK 16 ARA
Information on the use of public accountants (AP) and public accounting firms (KAP)	Information on the use of public accounting services (AP) and public accounting firms (KAP) and their networks/associations/allies included:		
	1. Name and address;		
	2. Assignment period;		
	3. Information on audit and/or non-audit services provided;		
	4. Audit and/or non-audit fees for each assignment given during the financial year; and	132	SEOJK 16
	5. In the event that AP and KAP and their networks/associations/allies, which are appointed do not provide non-audit services, then the information is disclosed.		
	Disclosure of information on the use of AP and KAP services and their networks/associations/allies could be presented in tabular form.		
Name and address of supporting institutions and/or professions	Name and address of capital market supporting institutions and/or professions other than AP and KAP.	132 - 133	SEOJK 16 ARA

Criteria	Explanation	Page	Regulasi/ Best Practices
Awards received in the last financial year and/or certifications that are still valid in the last financial year both on a national and international scale	It contained information in the following:	134 - 138	ARA
	1. Name of award and/or certification;		
	2. Year of award and/or certification;		
	3. The awarding and/or certification body; and		
	4. Validity period (for certification).		
Information on Company Website	It included at least:	139	ARA
	1. Shareholder information up to the individual ultimate owner;		
	2. Fill in the Code of Ethics;		
	3. Information on the General Meeting of Shareholders (GMS) at least includes material on the agenda discussed in the GMS, a summary of the minutes of the GMS, and information on important dates, namely the date of the announcement of the GMS, the date of the invitation to the GMS, the date of the GMS, the date of the summary of the minutes of the GMS being announced;		
	4. Separate annual financial statements (last 5 years);		
	5. Profile of the Board of Commissioners and Board of Directors; and		
	6. Charter of the Board of Commissioners, Board of Directors, Committees, and Internal Audit Unit.		
MANAGEMENT DISCUSSION AND ANALYSIS ON COMPANY PERFORMANCE			
Operational review by business segment	Operational review per business segment according to the type of industry of the Issuer or Public Company, at least regarding:	150 - 174	SEOJK 9 SEOJK 16 ARA
	1. Explanation of each business segment.		
	2. Performance per business segment, including:		
	a. Production, which includes the process, capacity, and development;		
	b. Increase/decrease in production capacity;		
	c. Sales/operating income; and		
d. Profitability			
Description of the company's financial performance	Financial performance analysis which included a comparison between the financial performance of the year concerned with the previous year and the causes of an increase/decrease in an account (in the form of narratives and tables), including regarding:	175 - 188	SEOJK 9 SEOJK 16 ARA
	1. Current assets, non-current assets, and total assets;		
	2. Short-term liabilities, long-term liabilities and total liabilities;		
	3. Equity;	188 - 195	
	4. Sales/operating income, expenses, profit (loss), other comprehensive income, and comprehensive income for the current period;		
	5. Cash flow;	195 - 197	
	6. Basic loan interest rate;	203	
	7. Analysis of the quality of earning assets and relevant financial ratios.	204 - 209	
Discussion and analysis of abilities To pay debts and the collectibility level of the company's receivables, by presenting the relevant ratio calculations according to the type of company industry	Explanation of:	197 - 200	SEOJK 16 ARA
	1. Ability to pay debts, both short term and long term and		
	2. The level of collectibility of receivables.		

Criteria	Explanation	Page	Regulasi/ Best Practices
Discussion on capital structure and management of capital structure policy	The explanation consisted of:	210 - 211	SEOJK 16 ARA
	1. Details of the capital structure consisting of interest-based debt/sukuk and equity; and		
	2. Management policies on capital structure (capital structure policies); and		
	3. Basis for selecting management policy		
Discussion on material commitments for capital goods investment (not funding commitments) in the last financial year	It explained:	226	SEOJK 16 ARA
	1. The name of the party making the bond;		
	2. The purpose of the bond;		
	3. The expected source of funds to fulfill these commitments;		
	4. Currency to be denominated; and		
	5. Measures planned by the company to protect the risk from the related foreign currency position.		
Note: if the company did not have a commitment related to investment in capital goods in the last financial year, it should be disclosed.			
Discussion on investment in capital goods realized in the last financial year	It explained:	226	SEOJK 16 ARA
	1. Types of investment in capital goods;		
	2. The purpose of investment in capital goods; and		
	3. The investment value of capital goods issued in the last financial year.		
Note: if there was no realization of capital goods investment, it should be disclosed.			
Comparison information between the target at the beginning of the financial year with the results achieved (realization), and the targets or projections to be achieved for the coming year.	Comparison between targets/projections at the beginning of the year book with the results achieved (realization), regarding:	228 - 235	SEOJK 16 ARA SEOJK 16 ARA ARA SEOJK 16 ARA
	1. Revenue/sales;		
	2. Profit (loss);		
	3. Capital structure;		
	4. Marketing;		
	5. HR Development;		
	6. Other matters deemed important to the Issuer or Public Company.		
	Targets/projections to be achieved by the Issuer or Public Company for the next 1 (one) year,	236 - 238	SEOJK 16 ARA SEOJK 16 ARA ARA ARA SEOJK 16 ARA
	about:		
	1. Revenue/sales;		
	2. Profit (loss);		
	3. Capital structure (capital structure);		
	4. Dividend Policy;		
	5. Marketing;		
6. HR Development;			
7. Other matters deemed important to the Issuer or Public Company.			

Criteria	Explanation	Page	Regulasi/ Best Practices
Material information and facts occurring after the date of the accountant's report	Description of significant events after the date of the accountant's report including their impact on future business performance and risks.	227	SEOJK 9 SEOJK 16 ARA
	Note: if there was no significant event after the date of the accountant's report, it should be disclosed.		
Description of the company's business prospects	The business prospects of the Issuer or Public Company are related to industrial conditions, the general economy and the international market accompanied by quantitative supporting data from reliable data sources.	227 - 228	SEOJK 16 ARA
Description of the marketing aspect	The marketing aspect of the goods and/or services of the Issuer or Public Company, at least regarding the marketing strategy and market share.	146 - 150	SEOJK 9 SEOJK 16 ARA
Description of dividends for the last 2 (two) financial years.	Description of dividends for 2 (two) financial years last, at least:	239	SEOJK 16 ARA
	1. Dividend policy contained information of the percentage of total dividends distributed to net income;		
	2. Date of payment of cash dividends and/or date of distribution of non-cash dividends;		
	3. Total dividends per share (cash and/or non-cash);		
	4. The amount of dividends per year paid.		
Note: if there was no dividend distribution, the reasons should be disclosed.			
Realization of the use of proceeds from the public offering (in the event that the company was still required to submit a report on the realization of the use of funds)	It contained a description of:	240	SEOJK 16 ARA
	1. Total proceeds;		
	2. Plan for the use of funds;		
	3. Details of the use of funds;		
	4. Fund balance; and		
	5. The date of approval of the GMS/RUPO for changes in the use of funds (if any).		
Note: if the company did not have information on the realization of the use of proceeds from the public offering, it should be disclosed.			
Information on material transactions containing conflicts of interest and/or transactions with affiliated parties	It contained a description of:		SEOJK 16 ARA
	1. Transaction date, value, and object;		
	2. Name of the party conducting the transaction;		
	3. The nature of the affiliation relationship (if any);		
	4. Explanation of the fairness of the transaction;		
	5. Fulfillment of related provisions;		
	6. In the event that there was an affiliation relationship, in addition to disclosing the information as referred to in number 1) to number 5), the Issuer or Public Company also disclosed information:		
	a. Statement of the Board of Directors that affiliated transactions had gone through adequate procedures to ensure that affiliated transactions were carried out in accordance with generally accepted business practices, among others, by complying with the arms-length principle; and		
b. The role of the Board of Commissioners and the audit committee in carrying out adequate procedures to ensure that affiliated transactions were carried out in accordance with generally accepted business practices, among others, is carried out by complying with the arms-length principle;			

Criteria	Explanation	Page	Regulasi/ Best Practices
	<p>7. For affiliated transactions or material transactions which became business activities carried out in order to generate business income and are carried out regularly, repeatedly, and/or continuously, an explanation was added that the affiliated transactions or material transactions were business activities carried out in order to generate operating income and run regularly, repeatedly, and/or continuously; In the event that the affiliated transactions or material transactions referred to have been disclosed in the annual financial statements, additional information regarding the disclosure reference in the annual financial statements was added.</p> <p>8. For disclosure of affiliated transactions and/or conflict of interest transactions resulting from the implementation of affiliated transactions and/or conflict of interest transactions that have been approved by independent shareholders, additional information regarding the date of the GMS which approved the affiliated transactions and/or conflict of interest transactions is added;</p> <p>9. In the event that there was no affiliated transaction and/or conflict of interest transaction, this matter should be disclosed.</p>	241	SEOJK 16 ARA
A description of changes in the laws and regulations of the company in the last financial year	<p>The description included:</p> <ol style="list-style-type: none"> The name of the legislation undergoing changes; and The impact (quantitative and/or qualitative) on the company (if significant) or a statement that the impact is not significant. <p>Note: if there were no changes to the laws and regulations in the last financial year, the matters should be disclosed.</p>	244	SEOJK 16 ARA
A description of the changes in accounting policies adopted by the company in the last financial year	<p>The description included:</p> <ol style="list-style-type: none"> Changes in accounting policies; Reasons for changes in accounting policies; and Quantitative impact on financial statements. <p>Note: If there was no change in accounting policy in the last financial year, it should be disclosed.</p>	252	SEOJK 16 ARA
Business continuity information	<p>Disclosure of information regarding:</p> <ol style="list-style-type: none"> Potential Matters having a significant effect on the company's business continuity in the last financial year; Management's assessment of the items in number 1; and Assumptions used by management in conducting the assessment. <p>Note: if there were no matters that had the potential to significantly affect the continuity of the company's business in the last financial year, the company should disclose the assumptions that underlied management believe that there are no matters that had the potential to significantly affect the company's business continuity in the last financial year.</p>	253	ARA
GOOD CORPORATE GOVERNANCE			
GMS	<p>Information regarding the resolutions of the GMS in the financial year and 1 (one) year before the financial year included:</p> <ol style="list-style-type: none"> resolutions of the GMS in the financial year and 1 (one) year before the financial year are realized in the financial year; and resolutions of the GMS for the financial year and 1 (one) year before the financial year that have not been realized and the reasons for not realizing them; <p>In the event that the Issuer or Public Company uses an independent party in the conduct of the GMS to calculate the votes, then this matter shall be disclosed.</p>	296 - 305	SOJK 16

Criteria	Explanation	Page	Regulasi/ Best Practices
Directors	1. Duties and responsibilities of each member of the Board of Directors;	230 - 342	SEOJK 16 ARA
	Information regarding the duties and responsibilities of each member of the Board of Directors is described and can be presented in tabular form.		
	2. A statement that the Board of Directors had guidelines or charter for the Board of Directors;		
	3. Policy and implementation of the frequency of meetings of the Board of Directors, meetings of the Board of Directors with the Board of Commissioners, and the level of attendance of members of the Board of Directors in the meeting including attendance at the GMS;		
	Information on the level of attendance of members of the Board of Directors at the meeting of the Board of Directors, the meeting of the Board of Directors with the Board of Commissioners, or the GMS can be presented in tabular form.		
	4. Training and/or competency improvement of members of the Board of Directors:		SEOJK 16
	a. Policy on training and/or improving the competence of members of the Board of Directors, including an orientation program for newly appointed members of the Board of Directors (if any); and		
	b. Training and/or competency improvement attended by members of the Board of Directors in the financial year (if any);		
	5. The Board of Directors' assessment of the performance of the committees supporting the implementation of the Board of Directors' duties for the financial year shall at least contain:		SEOJK 16 ARA
	a. performance appraisal procedures; and		
b. the criteria used were performance achievements during the financial year, competence and attendance at meetings; and			
In the event that the Issuer or Public Company did not have a committee that supports the implementation of the duties of the Board of Directors, then this should be disclosed.			
Board of Commissioners	1. Duties and responsibilities of the Board of Commissioners;	306 - 328	SEOJK 16 ARA
	2. A statement that the Board of Commissioners had guidelines or charter for the Board of Commissioners;		
	3. Policy and implementation of the frequency of meetings of the Board of Commissioners, meetings of the Board of Commissioners with the Board of Directors and the level of attendance of members of the Board of Commissioners in these meetings, including attendance at the GMS.		
	Information on the level of attendance of members of the Board of Commissioners at the meeting of the Board of Commissioners, the meeting of the Board of Commissioners with the Board of Directors, or the GMS can be presented in tabular form.		
	4. training and/or competency improvement of members of the Board of Commissioners:		SEOJK 16
	a. policies on training and/or improving the competence of members of the Board of Commissioners, including orientation programs for newly appointed members of the Board of Commissioners (if any); and		
	b. training and/or competency improvement attended by members of the Board of Commissioners in the financial year (if any);		

Criteria	Explanation	Page	Regulasi/ Best Practices		
	5. Performance appraisal of the Board of Directors and the Board of Commissioners as well as each member of the Board of Directors and the Board of Commissioners, at least containing: <ol style="list-style-type: none"> performance appraisal implementation procedures; the criteria used were performance achievements during the financial year, competence and attendance at meetings; and the party conducting the assessment; and 	306 - 328	SEOJK 16		
	6. The assessment of the Board of Commissioners on the performance of the Committees that support the implementation of the duties of the Board of Commissioners in the financial year includes: <ol style="list-style-type: none"> performance appraisal procedures; and the criteria used are performance achievements during the financial year, competence and attendance at meetings; 			SEOJK 16 ARA	
Independent Commissioner (minimum 30% of the total Board of Commissioners)	It included: <ol style="list-style-type: none"> Criteria for determining the Independent Commissioner; and Statement on the independence of each Independent Commissioner. 				311 - 313
Nomination and remuneration of the Board of Directors and the Board of Commissioners	At least it contained: <ol style="list-style-type: none"> The nomination procedure, including a brief description of the nomination policies and processes for members of the Board of Directors and/or members of the Board of Commissioners; and Procedures and implementation of remuneration for the Board of Directors and the Board of Commissioners, including: <ol style="list-style-type: none"> procedures for determining remuneration for the Board of Directors and the Board of Commissioners; the remuneration structure of the Board of Directors and the Board of Commissioners such as salary, allowances, tantien/bonus and others; and the amount of remuneration for each member of the Board of Directors and member of the Board of Commissioners; Disclosure of information can be presented in tabular form.		402 - 404		SEOJK 16 SEOJK 16 ARA
Implementation of Good Corporate Governance in Providing Remuneration for Commercial Banks					
Sharia supervisory board, for Issuers or Public Companies that carry out business activities based on sharia principles as stated in the articles of association.	at least contain: <ol style="list-style-type: none"> namae the legal basis for the appointment of the sharia supervisory board; the period of assignment of the sharia supervisory board; duties and responsibilities of the sharia supervisory board; and frequency and method of giving advice and suggestions as well as supervision of compliance with sharia principles in the capital market to Issuers or Public Companies; 		328 - 330	SEOJK 16	
Audit committee	<ol style="list-style-type: none"> Name and position in committee membership; Age; Nationality; Educational history; Position history, including information on: 	343 - 352	SEOJK 16 ARA		

Criteria	Explanation	Page	Regulasi/ Best Practices
	<ul style="list-style-type: none"> a. Legal basis for appointment as committee member; b. Concurrent positions, either as a member of the board of commissioners, member of the board of directors, and/or committee member and other positions (if any); and c. Work experience and period of time both inside and outside the issuer or public company; <ul style="list-style-type: none"> 6. Period and term of office of audit committee members; 7. Statement of independence of the audit committee; 8. Training and/or competency improvement that have been followed in the financial year (if any); 9. Policy and implementation of the frequency of audit committee meetings and the level of attendance of audit committee members at the meeting; and 10. Implementation of the audit committee's activities for the financial year in accordance with the guidelines or charter of the audit committee; 	343 - 352	SEOJK 16 ARA
Committee or function of nomination and remuneration Issuers or Public Companies	<p>At least it contained:</p> <ul style="list-style-type: none"> 1. Name and position in committee membership; 2. Age; 3. Nationality; 4. Educational history; 5. Position history, including information on: <ul style="list-style-type: none"> a. Legal basis for appointment as committee member; b. Concurrent positions, either as a member of the Board of Commissioners, member of the Board of Directors, and/or committee member and other positions (if any); and c. Work experience and period of time both inside and outside the Issuer or Public Company; 6. The period and term of office of the committee members; 7. Committee independence statement; 8. Training and/or competency improvement that have been followed in the financial year (if any); 9. Description of duties and responsibilities; 10. A statement of having a guideline or charter (charter); 11. Policy and implementation of the frequency of meetings and the level of attendance of members at the meeting; 12. Brief description of the implementation of activities in the financial year; and <p>In the event that no nomination and remuneration committee is formed, the Issuer or Public Company is sufficient to disclose the information as referred to in letter i) to letter l) and disclose:</p> <ul style="list-style-type: none"> 1. Reasons for not forming the committee; and 2. The party carrying out the nomination and remuneration function; 	352 - 359	SEOJK 16 ARA
Other committees owned by the Issuer or Public Company in order to support the functions and duties of the Board of Directors (if any) and/or committees that supported the functions and duties of the Board of Commissioners	<p>At least it contained:</p> <ul style="list-style-type: none"> 1. Name and position in committee membership; 2. Age; 3. Nationality; 4. Educational history; 5. Position history, including information on: <ul style="list-style-type: none"> a. Legal basis for appointment as committee member; 	359 - 367, 378 - 400	SEOJK 16 ARA

Criteria	Explanation	Page	Regulasi/ Best Practices
	<ul style="list-style-type: none"> b. Concurrent positions, either as a member of the board of commissioners, member of the board of directors, and/or committee member and other positions (if any); and c. Work experience and period of time both inside and outside the issuer or public company; 6. The period and term of office of the committee members; 7. Committee independence statement; 8. Training and/or competency improvement followed in the financial year (if any); and 9. Description of duties and responsibilities; 10. A statement that the committee has had guidelines or charters; 11. Policy and implementation of the frequency of committee meetings and the level of attendance of committee members at the meeting; and 12. Brief description of the committee's activities for the financial year; 	359 - 367, 378 - 400	SEOJK 16 ARA
Company secretary	<ul style="list-style-type: none"> 1. Name; 2. Domicile; 3. Position history, including: <ul style="list-style-type: none"> a. Legal basis for appointment as company secretary; and b. Work experience and period of time both inside and outside the issuer or public company; c. Educational history; d. Training and/or competency improvement that was followed in the financial year; and e. A brief description of the implementation of the duties of the corporate secretary for the financial year; 	368 - 370	SEOJK 16 ARA
Internal Audit Unit	<ul style="list-style-type: none"> 1. Name of the head of the internal audit unit; 2. Position history, including: <ul style="list-style-type: none"> a. Legal basis for appointment as head of internal audit unit; and b. Work experience and period of time both inside and outside the issuer or public company; 3. Qualification or certification as an internal audit profession (if any); 4. Training and/or competency improvement that was followed in the financial year; 5. The structure and position of the internal audit unit; 6. Description of duties and responsibilities; 7. A statement that the internal audit unit had a guideline or charter; and 8. A brief description of the implementation of the internal audit unit's duties for the financial year including the policy and implementation of the frequency of meetings with the board of directors, board of commissioners, and/or audit committee; 	370 - 375	SEOJK 16 ARA

Criteria	Explanation	Page	Regulasi/ Best Practices
Public Accountant	1. Name and year of the public accountant who audited the annual financial statements for the last 5 years;	409 - 410	ARA
	2. Name and year of the Public Accounting Firm that audited the annual financial statements for the last 5 years;		
	3. The amount of the fee for each type of service provided by the Public Accounting Firm in the last financial year; and		
	4. Other services provided by Public Accounting Firms and public accountants other than auditing services for annual financial statements in the last financial year.		
	Note: if there was no other service, it should be disclosed.		
A description of the internal control system implemented by the issuer or public company,	1. Financial and operational control, as well as compliance with other laws and regulations;	418 - 421	SEOJK 16 ARA
	2. Review of the effectiveness of the internal control system; and		SEOJK 16
	3. Statement of the Board of Directors and/or Board of Commissioners on the adequacy of the internal control system;		
The risk management system implemented by the Issuer or Public Company	1. General description of the risk management system of the Issuer or Public Company;	410 - 418	SEOJK 16 ARA
	2. Types of risks and how to manage them;		
	3. Overview of the effectiveness of the risk management system or Public Company; and		
	4. Statement of the Board of Directors and/or the Board of Commissioners or the audit committee on the adequacy of the risk management system;		SEOJK 16
Legal cases that have a material impact faced by the issuer or public company, subsidiaries, members of the board of directors and members of the board of commissioners (if any),	1. Principal case/lawsuit;	424 - 425	SEOJK 16 ARA
	2. Status of settlement of cases/claims; and		
	3. The effect on the condition of the issuer or public company;		
Information on administrative sanctions/ sanctions imposed on issuers or public companies, members of the board of commissioners and members of the board of directors, by the financial services authority and other authorities in the financial year (if any)		425	SEOJK 16 ARA
Access to company information and data: A description of the availability of access to company information and data to the public, for example through the website (in Indonesian and English), mass media, mailing lists, bulletins, meetings with analysts, and so on.		425 - 429	ARA
Information regarding the code of conduct of the Issuer or Public Company	1. The points of the code of ethics;	432 - 437	SEOJK 16 ARA
	2. Disclosure that the code of ethics applied to all levels of the organization;		
	3. Dissemination of the code of ethics;		
	4. Sanctions for each type of violation stipulated in the code of ethics (normative); and		
	5. The number of violations of the code of ethics along with the sanctions given in the last financial year.		
	Note: if there is no violation of the code of ethics in the last financial year, it must be disclosed.		

Criteria	Explanation	Page	Regulasi/ Best Practices
A brief description of the policy of providing long-term performance-based compensation to management and/or employees owned by the issuer or public company (if any), including the management stock ownership program (MSOP) and/or stock ownership program by employees (employee Stock ownership program/ESOP); In the case of providing compensation in the form of a management stock ownership program (MSOP) and/or an employee stock ownership program (ESOP),	Information disclosed should at least contain: 1. Number of shares and/or options; 2. Implementation period; 3. Requirements for eligible employees and/or management; and 4. Execution price or determination of exercise price.	407 - 409	SEOJK 16
Brief description of Information disclosure policy	1. Share ownership of members of the board of directors and members of the board of commissioners no later than 3 (three) working days after the occurrence of ownership or any change in ownership of shares of a public company; and 2. Implementation of the policy;	295 - 297	SEOJK 16
Description of the whistleblowing system at the Issuer or Public Company	1. How to submit a violation report; 2. Protection for whistleblowers; 3. Handling of complaints; 4. The party managing the complaint; and 5. The results of the handling of complaints, at least: a. Number of complaints received and processed in the financial year; and b. Follow-up on complaints; In the event that the issuer or public company did not have a whistleblowing system, then this should be disclosed.	437 - 439	SEOJK 16 ARA
Description of the Issuer's or Public Company's anti-corruption policy	1. Programs and procedures implemented in overcoming the practice of corruption, kickbacks, fraud, bribery and/or gratuities in Issuers or Public Companies; and 2. Anti-corruption training/socialization for employees of Issuers or Public Companies; In the event that the Issuer or Public Company did not have an anti-corruption policy, the reasons for not having the said policy should be explained.	429 - 431	SEOJK 16 ARA
Policy regarding the diversity of the composition of the Board of Commissioners and the Board of Directors. Description of the Company's written policies regarding the diversity of the composition of the Board of Commissioners and Directors in education (field of study), work experience, age, and gender. Note: if there was no such policy, the reasons and considerations should be disclosed.		401 - 402	ARA
Implementation of Public Company governance guidelines for Issuers issuing equity securities or Public Companies	1. Statement of recommendations that had been implemented; and/or 2. Explanation of recommendations that had not been implemented, along with reasons and alternative implementations (if any). Disclosure of information can be presented in tabular form.	442 - 449	SEOJK 16
GCG Implementation Assessment for the financial year 2020 which included at least aspects of the Board of Commissioners and the Board of Directors	It contained a description of: 1. Criteria used in the assessment 2. The party conducting the assessment 3. The assessment score of each criterion 4. Recommended assessment results 5. Reasons for not yet/not implemented recommendations.	451	ARA

Criteria	Explanation	Page	Regulasi/ Best Practices
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY OF ISSUERS OR PUBLIC COMPANIES			
Corporate Social Responsibility	1. The information disclosed in the social and environmental responsibility section is a Sustainability Report as referred to in the Financial Services Authority Regulation Number 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies, at most slightly load:	454	SEOJK 16
	a) Explanation of the sustainability strategy;		
	b) Summary of sustainability aspects (economic, social, and environmental);		
	c) Brief profile of the Issuer or Public Company;		
	d) Explanation of the Board of Directors;		
	e) Sustainability governance;		
	f) Sustainability performance;		
	g) Written verification from an independent party, if any;		
	h) Feedback sheet for readers, if any; and		
	i) Issuer's or Public Company's response to the previous year's report feedback.		
	2. The Sustainability Report as referred to in number 1) must be prepared in accordance with the Technical Guidelines for the Preparation of a Sustainability Report for Issuers and Public Companies as contained in Appendix II which is an integral part of this Financial Services Authority Circular Letter;		
	3. Information on the Sustainability Report in point 1) can:		
	a) Disclosed in other relevant sections outside of the social and environmental responsibility section, such as the Directors' explanation regarding the Sustainability Report disclosed in the section related to the Directors' Report; and/or		
b) Referring to other sections outside the social and environmental responsibility section while still referring to the Technical Guidelines for the Preparation of Sustainability Reports for Issuers and Public Companies as listed in Appendix II which is an integral part of this Financial Services Authority Circular Letter, such as the profile of the Issuer or Public Company;			
4. The Sustainability Report as referred to in number 1) is an inseparable part of the Annual Report but can be presented separately from the Annual Report;			
5. In the event that the Sustainability Report is presented separately from the Annual Report, the information disclosed in the said Sustainability Report must:			
a) Contains all the information as referred to in number 1); and			
b) Compiled according to the Technical Guidelines for the Preparation of Sustainability Reports for Issuers and Public Companies as listed in Appendix II which is an integral part of this Financial Services Authority Circular Letter;			

Criteria	Explanation	Page	Regulasi/ Best Practices
	6. In the event that the Sustainability Report is presented separately from the Annual Report, then the social and environmental responsibility section contains information that information regarding social and environmental responsibility has been disclosed in the Sustainability Report which is presented separately from the Annual Report; and	454	SEOJK 16
	7. Submission of the Sustainability Report which is presented separately from the Annual Report must be submitted together with the submission of the Annual Report.		
FINANCIAL INFORMATION			
Statement Letter of the Board of Directors and/or Board of Commissioners regarding Responsibility for Financial Statements	Compliance with related regulations regarding Responsibility for Financial Statements.	LK Board of Directors Statement Page	ARA
Independent auditor's opinion on financial statements		LK Opinion Page	ARA
Description of Independent Auditor in Opinion	The description contained about:	LK Opinion Page	ARA
	1. Name and signature;		
	2. Date of the Audit Report; and		
	3. KAP license number and Public Accountant license number.		
Complete financial reports	It completely contained the elements of the financial statements:	LK Page 1 - 179	ARA
	1. Statement of financial position;		
	2. Statement of profit or loss and other comprehensive income;		
	3. Statement of changes in equity;		
	4. Cash flow statement;		
	5. Notes to financial statements;		
	6. Comparative information about the previous period; and		
7. Statement of financial position at the beginning of the previous period when the entity applies an accounting policy retrospectively or restates financial statement items, or when the entity reclassifies items in its financial statements (if relevant).			
Profitability level comparison	Comparison of performance/profit (loss) for the current year with the previous year	LK Page 3	ARA
Cash flow statement	It should meet the following conditions:	LK Page 5 - 6	ARA
	1. Grouping into three categories of activities: operating, investing, and financing;		
	2. Using the direct method to report cash flows from operating activities;		
	3. Separation of presentation between cash receipts and or cash disbursements during the year in operating, investing and financing activities; and		
	4. Disclosure of non-cash transactions must be included in the notes to the financial statements.		

Criteria	Explanation	Page	Regulasi/ Best Practices
Accounting Policy Overview	It included at least:	LK Page 13 - 57	ARA
	1. Statement of compliance with SAK;		
	2. Basis of measurement and preparation of financial statements;		
	3. Income tax;		
	4. Work benefits; and		
	5. Financial Instruments.		
Disclosure of related party transactions	The things that were disclosed included:	LK Page 118 - 120	ARA
	1. Name of the related party, as well as the nature and relationship with the related party;		
	2. Transaction value and its percentage to the total related revenues and expenses; and		
	3. Total balance and its percentage to the total related assets or liabilities.		
Disclosures related to taxation	The things that were disclosed included:	LK Page 45 - 46, 55 - 56, 96 - 103	ARA
	1. Fiscal reconciliation and calculation of current tax burden;		
	2. Explanation of the relationship between tax expense (income) and accounting profit;	LK Page 45 - 46, 55 - 56, 96 - 103	ARA
	3. A statement that the reconciled Taxable Profit (LKP) was used as the basis for filling out the Annual Corporate Income Tax Return;		
	4. Details of deferred tax assets and liabilities recognized in the statement of financial position for each presentation period, and the amount of deferred tax expense (income) recognized in profit or loss if the amount was not reflected in the amount of deferred tax assets or liabilities recognized in the statement of position. finance; and		
	5. Disclosure of whether or not there is a tax dispute.		
Disclosures relating to fixed assets	The things that were disclosed included:	LK Page 38 - 40, 57, 82 - 86	ARA
	1. The depreciation method used;		
	2. A description of the accounting policy chosen between the revaluation model and the cost model;		
	3. The significant methods and assumptions used in estimating the fair value of property, plant and equipment (for the revaluation model) or the disclosure of the fair value of property, plant and equipment (for the cost model); and		
	4. Reconciliation of gross carrying amount and accumulated depreciation of property, plant and equipment at the beginning and end of the period by showing: addition, subtraction and reclassification.		
Disclosures relating to operating segments	The things that were disclosed included:	LK Page 120 - 121	ARA
	1. General information covering the factors used to identify the reported segments;		
	2. Information on the reported segment's profit or loss, assets and liabilities;		
	3. Reconciliation of total segment revenue, reported segment profit or loss, segment assets, segment liabilities, and other material segment elements to the related amounts within the entity; and		
	4. Disclosure at the entity level, which included information about products and/or services, geographic areas and key customers.		

Criteria	Explanation	Page	Regulasi/ Best Practices
Disclosures relating to Financial Instruments	The things that were disclosed included:	LK Page 17 - 23, 53 - 54, 121 - 152,	ARA
	1. Details of financial instruments owned based on their classification;		
	2. Fair values and their hierarchy for each group of financial instruments;		
	3. Explanation of risks associated with financial instruments: market risk, credit risk and liquidity risk;		
	4. Risk management policy; and		
5. Analysis of the risks associated with financial instruments quantitatively.			
Issuance of financial statements	The things that were disclosed included:	LK Board of Directors Statement Page	ARA
	1. The date on which the financial statements were authorized for issue; and		
	2. The party responsible for authorizing the financial statements.		

Description

SEOJK 16 : Financial Services Authority Circular No. 16/SEOJK.04/2021 concerning the Form and Content of the Annual Report of Issuers or Public Companies.

SEOJK 9 : Financial Services Authority Circular No. 9/SEOJK.03/2020 concerning Transparency and Publication of Conventional Commercial Bank Reports.

POJK 45 : Financial Services Authority Regulation Number 45/POJK.03/2015 concerning Implementation of Governance in Providing Remuneration for Commercial Banks.

ARA : Annual Report Award Criteria.



Laporan Keuangan
31 Desember 2021 dan 2020
dan untuk tahun yang berakhir pada tanggal-tanggal tersebut
beserta laporan auditor independen/
Financial Statements
as of December 31, 2021 and 2020
and for the years then ended with independent auditor's report

PT Bank Pembangunan Daerah Jawa Timur Tbk

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2021
PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR TBK**

**DIRECTOR'S STATEMENT LETTER
RELATING TO THE RESPONSIBILITY ON
THE FINANCIAL STATEMENTS
FOR YEARS ENDED
DECEMBER 31, 2021
PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR TBK**

Kami yang bertandatangan dibawah ini:

We, the undersigned:

- | | | |
|--|---|---|
| 1. Nama/Name | : | Busrul Iman |
| Alamat Kantor/Office Address | : | Jalan Basuki Rahmad Nomor 98-104 Surabaya |
| Alamat Domisili / Sesuai KTP atau Kartu Identitas Lain/Residential address/in accordance with Personal Identity Card | : | Puncak Cengkeh No 10, RT 001/RW 010 Kelurahan Jatimulyo Kecamatan Lowokwaru - Malang |
| Nomor Telepon/Telephone Number | : | (031) 5310090 ext.206 |
| Jabatan / Title | : | Direktur Utama / President Director |
| 2. Nama/Name | : | Rizyana Mirda |
| Alamat Kantor/Office Address | : | Jalan Basuki Rahmad Nomor 98-104 Surabaya |
| Alamat Domisili /Sesuai KTP atau Kartu Identitas Lain/Residential address/in accordance with Personal Identity Card | : | Rungkut Menanggal Harapan S/24 RT 01/RW 002 Kelurahan Rungkut Menanggal Kecamatan Gunung Anyar Surabaya |
| Nomor Telepon /Telephone Number | : | (031) 5310090 ext. 240 |
| Jabatan/Title | : | Pgs. Direktur Keuangan/ Temporary Replacement of Finance Director |

Menyatakan bahwa:

Declared that:

- | | |
|--|--|
| 1. Kami bertanggungjawab atas penyusunan dan penyajian laporan keuangan PT Bank Pembangunan Daerah Jawa Timur,Tbk. | 1. <i>We are responsible for the preparation and presentation of financial statements of PT Bank Pembangunan Daerah Jawa Timur,Tbk.</i> |
| 2. Laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk tersebut telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia. | 2. <i>The financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk have been prepared and presented in accordance with the Indonesian Financial Accounting Standards.</i> |
| 3. a. Semua informasi dalam laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk tersebut telah dimuat secara lengkap dan benar; dan | 3. a. <i>All information has been fully and correctly disclosed inPT Bank Pembangunan Daerah JawaTimur Tbk financial statements; and</i> |
| b. Laporan keuangan PT Bank Pembangunan Dearah Jawa Timur Tbk tersebut tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material. | b. <i>The financial statementsof PT Bank Pembangunan Daerah Jawa Timur Tbkdo not contain materially misleading information or facts, and do not conceal any information or fact.</i> |
| 4. Bertanggungjawab atas sistem pengendalian internal dalamPT Bank Pembangunan Daerah Jawa Timur,Tbk. | 4. <i>We are responsible for PT Bank Pembangunan Daerah Jawa Timur,Tbk internal control system.</i> |

Demikian pernyataan ini dibuat dengan sebenarnya.

This statement letter is made truthfully.

Surabaya, 31 Januari 2022/ January 31, 2022

   Busrul Iman Direktur Utama/President Director	  Rizyana Mirda Pgs. Direktur Keuangan/Temporary Replacement of Finance Director
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**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
LAPORAN KEUANGAN
Tanggal 31 Desember 2021 dan 2020
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, 2021 and 2020
and for the years
then ended
with independent auditor's report**

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Laporan Auditor Independen***Independent Auditor's Report***

Ref: No.00010/3.0359/AU.1/07/0365-1/1/I/2022

**Para Pemegang Saham, Komisaris dan Direksi
PT Bank Pembangunan Daerah Jawa Timur Tbk*****The Shareholders, Commissioners and Directors of
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 2021, 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, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Tanggung jawab manajemen atas laporan keuangan***Management's responsibility for the financial statements***

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

Tanggung jawab auditor***Auditor's responsibility***

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 bebas dari kesalahan penyajian material.

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.

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 2021, 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 57(b) atas laporan keuangan terlampir yang menjelaskan tentang perkembangan kondisi ekonomi di Indonesia yang terkena dampak dari pandemi global karena virus corona. Resolusi kondisi ekonomi ini tergantung pada tindakan pemerintah dan otoritas yang berada di luar kendali PT Bank Pembangunan Daerah Jawa Timur Tbk. Oleh karena itu, saat ini dampak masa depan terhadap PT Bank Pembangunan Daerah Jawa Timur Tbk belum dapat diperkirakan. Opini kami tidak dimodifikasi sehubungan dengan hal tersebut.

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 auditors consider 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, 2021, and its 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 57(b) to the accompanying financial statements which explains the economic conditions in Indonesian which have been affected by the global 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.

Hal lain

Laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk pada tanggal 31 Desember 2020 dan untuk tahun yang berakhir pada tanggal tersebut diaudit oleh auditor independen lain yang menyatakan opini tanpa modifikasian atas laporan keuangan tersebut pada tanggal 9 April 2021.

Other matter

The financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk as of December 31, 2020 and for the year ended were audited by other independent auditor who expressed an unmodified opinion on those financial statements on April 9, 2021.



KANAKA PURADIREDDJA, SUHARTONO



Dra. Rita Susilowati L., Ak., M.Akt., CPA
Nomor Ijin Akuntan Publik / *License of Public Accountant AP. 0365*

Surabaya, 31 Januari 2022/ *January 31, 2022*

Ref: No.00010/3.0359/AU.1/07/0365-1/1/I/2022

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
LAPORAN POSISI KEUANGAN
31 Desember 2021 dan 2020**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF FINANCIAL POSITION
December 31, 2021 and 2020**

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2021	2020	
ASET				ASSETS
Kas	2b, 2d, 2f, 3, 40, 41	2.023.077	2.511.548	Cash
Giro pada Bank Indonesia	2b, 2d, 2g, 4, 39, 40, 41	8.805.300	3.659.968	Current accounts with Bank Indonesia
Giro pada bank lain	2b, 2c, 2d, 2g, 5, 39, 40, 41	211.681	237.715	Current accounts with other banks
Cadangan kerugian penurunan nilai	2m, 5, 39e	(238)	(53)	Allowance for impairment losses
		<u>211.443</u>	<u>237.662</u>	
Penempatan pada Bank Indonesia dan bank lain	2b, 2c, 2d, 2h, 6, 39, 40, 41	9.917.695	6.884.658	Placements with Bank Indonesia and other banks
Cadangan kerugian penurunan nilai	2m, 6, 39e	(1.763)	(795)	Allowance for impairment losses
		<u>9.915.932</u>	<u>6.883.863</u>	
Surat berharga	2b, 2c, 2d, 2i, 7, 39, 40, 41	32.388.966	14.666.737	Marketable securities
Cadangan kerugian penurunan nilai	2m, 7, 39e	(5.943)	(8.118)	Allowance for impairment losses
		<u>32.383.023</u>	<u>14.658.619</u>	
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali	2d, 8, 39, 41	3.420.685	12.573.044	Receivable from marketable securities purchased under resale agreement
Tagihan lainnya	2d, 2k, 9, 39, 40	230.019	131.932	Other receivables
Kredit yang diberikan dan pembiayaan syariah	2c, 2d, 2e, 2l, 10, 36, 39, 40, 41			Loans, and sharia financing
- Pihak berelasi		182.889	285.595	Related parties -
- Pihak ketiga		42.566.670	41.195.171	Third parties -
Jumlah		42.749.559	41.480.766	Total
Cadangan kerugian penurunan nilai	2m, 10, 39e	(1.831.417)	(1.454.721)	Allowance for impairment losses
		<u>40.918.142</u>	<u>40.026.045</u>	
Pendapatan bunga yang masih akan diterima	2b, 2d, 11, 39, 40, 41	793.900	555.020	Accrued interest income
Biaya dibayar dimuka	2n, 2p, 12	134.200	227.932	Prepaid expenses
Aset tetap	2o, 13			Fixed assets
Biaya perolehan		1.906.263	1.882.572	Cost
Akumulasi penyusutan		(762.052)	(676.592)	Accumulated depreciation
Nilai buku		<u>1.144.211</u>	<u>1.205.980</u>	Net book value
Aset pajak tangguhan, neto	2x, 19g	627.211	591.676	Deferred tax assets, net
Piutang pajak	19a	412	65	Tax receivables
Aset lain-lain, neto	14	115.775	356.098	Other assets, net
JUMLAH ASET		<u>100.723.330</u>	<u>83.619.452</u>	TOTAL ASSETS

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 (lanjutan)
31 Desember 2021 dan 2020
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF FINANCIAL POSITION (continued)
December 31, 2021 and 2020
(Expressed in millions of Rupiah, unless otherwise stated)**

	Catatan/ Notes	2021	2020	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Liabilitas segera	2d, 15, 40, 41	593.875	484.834	Obligations due immediately
Simpanan dari nasabah	2b, 2d, 2e			Deposits from customers
- Pihak berelasi	2r, 16, 36, 40, 41	17.722.756	14.375.132	Related parties -
- Pihak ketiga		65.479.111	54.093.148	Third parties -
		<u>83.201.867</u>	<u>68.468.280</u>	
Simpanan dari bank lain	2d, 2e, 2s			Deposits from other banks
- Pihak berelasi	17, 36, 40, 41	360.169	238.860	Related parties -
- Pihak ketiga		3.827.731	2.616.744	Third parties -
		<u>4.187.900</u>	<u>2.855.604</u>	
Pinjaman yang diterima	2d, 2u, 18, 40, 41	655.288	631.355	Borrowings
Utang pajak	2x, 19b	165.476	93.135	Taxes payable
Beban yang masih harus dibayar	2d, 20, 40, 41	478.647	484.666	Accrued expenses
Liabilitas lain-lain	2b, 2d, 2aa, 2ad, 21, 40, 41	529.738	596.630	Other liabilities
JUMLAH LIABILITAS		<u>89.812.791</u>	<u>73.614.504</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 (2020 : 3.081.350.100 saham)	22	3.753.875	3.753.875	Series B - 3,081,350,100 shares - (2020 : 3,081,350,100 shares)
Tambahan modal disetor - neto	2ab, 23	532.734	532.734	Paid-in capital - net
Surplus revaluasi aset tetap		749.717	754.382	Revaluation surplus of fixed assets
Pengukuran kembali liabilitas imbalan kerja pasti - setelah pajak tangguhan		(163.811)	(197.081)	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		213.177	125.753	Unrealized gain financial assets measured at fair value through other comprehensive income - net of deferred tax
Saldo laba				Retained earnings
Cadangan umum		4.301.777	3.546.323	General reserve
Belum ditentukan penggunaannya		1.523.070	1.488.962	Unappropriated
JUMLAH EKUITAS		<u>10.910.539</u>	<u>10.004.948</u>	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS		<u>100.723.330</u>	<u>83.619.452</u>	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

The accompanying notes to the financial statements form an integral part of these financial statements as a whole

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
LAPORAN LABA RUGI
DAN PENGHASILAN KOMPREHENSIF LAIN**
Untuk tahun yang berakhir pada
tanggal-tanggal 31 Desember 2021 dan 2020
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
For the years then ended
December 31, 2021 and 2020
(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2021	2020	
Pendapatan bunga dan syariah	2e, 2w, 2x, 26, 36	6.655.168	6.088.742	Interest and sharia income
Beban bunga dan syariah	2e, 2w, 27, 36	(1.977.487)	(2.031.472)	Interest and sharia expense
PENDAPATAN BUNGA DAN SYARIAH, NETO		4.677.681	4.057.270	INTEREST AND SHARIA INCOME, NET
PENDAPATAN OPERASIONAL LAINNYA				OTHER OPERATING INCOME
Pemulihan kerugian penurunan nilai atas aset keuangan	28	361.666	-	Reversal for impairment losses on financial assets
Administrasi giro, tabungan dan deposito	28	172.779	162.607	Current accounts, savings and deposits administration fees
Penerimaan kembali kredit hapus buku	28	55.003	55.055	Collection of loans written-off
Administrasi kredit	28	34.055	41.357	Loan administration fees
Provisi dan komisi selain dari kredit yang diberikan	2x, 28	5.225	5.613	Fees and commissions from other than loans
Lainnya	28	177.629	153.239	Others
JUMLAH PENDAPATAN OPERASIONAL LAINNYA		806.357	417.871	TOTAL OTHER OPERATING INCOME
BEBAN OPERASIONAL LAINNYA				OTHER OPERATING EXPENSES
Tenaga kerja dan tunjangan karyawan	2aa, 30	(1.644.897)	(1.544.532)	Salaries and employee benefits
Umum dan administrasi	31	(1.078.820)	(684.216)	General and administrative
Penyisihan kerugian penurunan nilai atas aset keuangan	2m, 29	(819.201)	(567.751)	Provision for impairment losses on financial assets
Beban lainnya	32	(150.020)	(162.365)	Other expenses
JUMLAH BEBAN OPERASIONAL LAINNYA		(3.692.938)	(2.958.864)	TOTAL OTHER OPERATING EXPENSES
LABA OPERASIONAL		1.791.100	1.516.277	INCOME FROM OPERATIONS
PENDAPATAN (BEBAN) NON-OPERASIONAL				NON-OPERATING INCOME (EXPENSES)
Fee jasa pelayanan pajak	33	4.684	10.063	Tax service fees
Keuntungan atas penjualan aset tetap	33	3.952	2.670	Gain on sale of fixed asset - net
Keuntungan selisih kurs	2b, 33	3.497	2.255	Gain on foreign exchange
Keuntungan penjualan efek-efek neto	33	131	-	Gain on sale of securities - net
Beban non-operasional	33	(269.509)	(40.586)	Non-operating expenses
Lainnya	33	404.119	16.688	Others
JUMLAH PENDAPATAN (BEBAN) NON OPERASIONAL		146.874	(8.910)	TOTAL NON OPERATING INCOME (EXPENSES)
LABA SEBELUM BEBAN PAJAK		1.937.974	1.507.367	INCOME BEFORE TAX EXPENSE
BEBAN PAJAK:	2y, 19c, 19e			TAX EXPENSES:
Kini		(474.145)	(138.492)	Current
Tangguhan		59.241	120.087	Deferred
		(414.904)	(18.405)	
LABA TAHUN BERJALAN		1.523.070	1.488.962	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 (defisit) revaluasi aset tetap		(4.665)	6.199	Revaluation surplus (deficit) of fixed assets
Pengukuran kembali liabilitas imbalan kerja		41.074	100.536	Remeasurement of employee benefit liability
Pajak penghasilan terkait		(7.804)	(21.556)	Related income taxes
		28.605	85.179	
Pos-pos yang akan direklasifikasi ke laba rugi:				Items that will be reclassified subsequently to profit or loss:
Keuntungan yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain		103.326	155.226	Unrealized gain on financial assets measured at fair value through other comprehensive income
Pajak penghasilan terkait		(15.902)	(29.493)	Related income taxes
		87.424	125.733	
PENGHASILAN KOMPREHENSIF LAIN NETO SETELAH PAJAK		116.029	210.912	OTHER COMPREHENSIVE INCOME - NET OF TAX
JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN		1.639.099	1.699.874	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA PER SAHAM DASAR (DALAM NILAI PENUH)	2z, 35	101,43	99,16	BASIC EARNINGS PER SHARE (IN FULL AMOUNT)

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

The accompanying notes to the financial statements form an integral part of these financial statements as a whole

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
LAPORAN PERUBAHAN EKUITAS
Untuk tahun yang berakhir pada
tanggal-tanggal 31 Desember 2021 dan 2020
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
STATEMENT OF CHANGES IN EQUITY
For the years then ended
December 31, 2021 and 2020
(Expressed in millions of Rupiah, unless otherwise stated)

Catatan/ Notes	Modal ditempatkan dan disetor penuh/ Issued and fully paid capital	Tambahannya modal disetor- neto/ Other paid-in capital-net	Surplus revaluasi aset tetap/ Revaluation surplus of fixed asset	Pengukuran kembali liabilitas imbalan kerja pasti - setelah pajak tangguhan/ Remeasurement of defined employee benefit liability - net of deferred tax	Keuntungan yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui pendapatan komprehensif lain - setelah pajak tangguhan/ 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 2019	3.750.593	528.753	748.183	(276.061)	20	2.893.565	1.376.505	9.021.558	December 31, 2019
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	-	-	-	-	-	652.758	(652.758)	-	Appropriation for general reserve
Pembagian dividen tunai	-	-	-	-	-	-	(723.747)	(723.747)	Distribution of cash dividends
Jumlah 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
Pembentukan cadangan umum	-	-	-	-	-	755.454	(755.454)	-	Appropriation for general reserve
Pembagian dividen tunai	-	-	-	-	-	-	(733.508)	(733.508)	Distribution of cash dividends
Jumlah laba komprehensif tahun berjalan	-	-	(4.665)	33.270	87.424	-	1.523.070	1.639.099	Total comprehensive income for the year
31 Desember 2021	3.753.875	532.734	749.717	(163.811)	213.177	4.301.777	1.523.070	10.910.539	December 31, 2021

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
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**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF CASH FLOWS
For the years then ended
December 31, 2021 and 2020
(Expressed in millions of Rupiah, unless otherwise stated)**

	Catatan/ Notes	2021	2020	
Arus kas dari aktivitas operasi				Cash flows from operating activities
Penerimaan bunga, syariah, provisi dan komisi		6.421.514	5.950.142	Receipts of interest, sharia, fees and commissions
Pembayaran bunga, syariah, provisi dan komisi		(1.983.506)	(1.799.442)	Payments of interest, sharia, fees and commissions
Penerimaan dari pendapatan operasional lainnya		384.463	153.239	Receipts of other operating income
Penerimaan kembali dari kredit hapus buku		55.003	55.055	Collection of loans written-off
Penerimaan dari pendapatan non-operasional		416.380	29.007	Receipts from non-operating income
Pembayaran untuk biaya non-operasional		(269.509)	(40.586)	Payments for non-operating expenses
Pembayaran beban tenaga kerja dan tunjangan karyawan		(1.644.897)	(1.490.765)	Payments of salaries and employee benefits
Pembayaran beban umum dan administrasi		(1.211.045)	(544.941)	Payments of general and administrative expenses
Pembayaran pajak		(378.098)	(378.774)	Payment of taxes
Arus kas dari aktivitas operasi sebelum perubahan dalam aset dan liabilitas operasi		1.790.305	1.932.935	Cash flow from operating activities 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	Placement with Bank Indonesia and other banks
Kredit yang diberikan		(1.268.793)	(3.128.466)	Loans
Surat berharga yang dijual dengan janji dibeli kembali		-	1.038.432	Marketable securities sold under repurchase agreement
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali		9.152.359	(6.735.524)	Receivable from marketable securities purchased under resale agreement
Aset lain-lain dan tagihan lainnya		235.620	(282.585)	Other assets and other receivables
Liabilitas segera		109.040	127.269	Obligations due immediately
Simpanan dari nasabah		14.733.587	7.922.408	Deposits from customers
Simpanan dari bank lain		1.332.296	(32.826)	Deposits from other banks
Liabilitas surat berharga yang dijual dengan janji dibeli kembali		-	(1.037.094)	Liabilities of marketable securities sold under repurchase agreement
Liabilitas lain-lain		77.535	(146.658)	Other liabilities
Surat berharga yang diterbitkan		-	-	Marketable securities issued
Arus kas bersih diperoleh dari (digunakan untuk) aktivitas operasi		26.161.949	(230.109)	Net cash flows from (used to) operating activities
Arus kas dari aktivitas investasi				Cash flows from investing activities
Pembelian surat berharga		(17.722.229)	(4.943.265)	Purchase of marketable securities
Perolehan aset tetap	13	(70.838)	(32.487)	Acquisition of fixed assets
Penjualan aset tetap	13	4.556	2.671	Fixed asset sold
Arus kas bersih yang digunakan untuk aktivitas investasi		(17.788.511)	(4.973.081)	Net cash used in investing activities
Arus kas dari aktivitas pendanaan				Cash flows from financing activities
Penerimaan (pembayaran) dari pinjaman yang diterima		23.933	(1.238.891)	Proceeds (payments of) from borrowings
Penerimaan dari penambahan modal saham		-	7.263	Proceeds from additional paid-up capital
Pembayaran liabilitas sewa		-	(886)	Payment of lease liability
Pembayaran dividen kas	22e	(733.508)	(723.747)	Payments of cash dividends
Arus kas bersih yang digunakan untuk aktivitas pendanaan		(709.575)	(1.956.261)	Net cash used in financing activities

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**
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**For the years then ended
December 31, 2021 and 2020**
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	Catatan/ <i>Notes</i>	2021	2020	
Kenaikan (penurunan) neto kas dan setara kas		7.663.863	(7.159.451)	<i>Net increase (decrease) in cash and cash equivalents</i>
Kas dan setara kas pada awal tahun		13.293.890	20.453.366	<i>Cash and cash equivalents at beginning of year</i>
Pengaruh perubahan kurs mata uang asing	2b	-	(25)	<i>Effects of foreign currencies exchange rate changes</i>
Kas dan setara kas pada akhir tahun		<u>20.957.753</u>	<u>13.293.890</u>	<i>Cash and cash equivalents at end of year</i>
Kas dan setara kas terdiri dari:				<i>Cash and cash equivalents consist of:</i>
Kas	3	2.023.077	2.511.548	<i>Cash</i>
Giro pada Bank Indonesia	4	8.805.300	3.659.969	<i>Current accounts with Bank Indonesia</i>
Giro pada bank lain	5	211.681	237.715	<i>Current accounts with other bank s</i>
Penempatan pada Bank Indonesia dan bank lain (jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan)	6	9.917.695	6.884.658	<i>Placements with Bank Indonesia and other banks (maturity within three months or less since the acquisition date)</i>
Jumlah kas dan setara kas		<u>20.957.753</u>	<u>13.293.890</u>	<i>Total cash and cash equivalents</i>

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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.1/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.

I. 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.1/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.

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1. UMUM (lanjutan)

a. Pendirian Bank dan informasi umum (lanjutan)

Seiring dengan perkembangan perekonomian dan dalam rangka memenuhi persyaratan sebagai Bank Pembangunan Daerah (BPD) *Regional Champion* yang salah satu parameternya adalah untuk memperkuat permodalan, maka dilakukan perubahan Anggaran Dasar Bank berdasarkan akta No.89 tanggal 25 April 2012 yang dibuat oleh Notaris Fathiah Helmi, S.H., di Jakarta yang telah memperoleh persetujuan dari Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Keputusan No.AHU-22728.AH.01.02. Tahun 2012 tanggal 30 April 2012, telah didaftarkan dalam Daftar Perseroan sesuai dengan Undang Undang Perseroan Terbatas dengan No.AHU-0038044.AH.01.09 Tahun 2012 tanggal 30 April 2012 serta berdasarkan Surat Keputusan Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) tanggal 29 November 2012 dinyatakan efektif untuk pernyataan pendaftaran dan berubah nama menjadi PT Bank Pembangunan Daerah Jawa Timur Tbk.

Selanjutnya, Anggaran Dasar tersebut telah mengalami perubahan melalui akta No.23 tanggal 8 April 2015 yang dibuat oleh Notaris Bambang Heru Djuwito, S.H., Notaris di Surabaya, dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0927646 tanggal 27 April 2015. Perubahan selanjutnya melalui akta No.55 tanggal 22 April 2020 yang dibuat oleh Notaris Sitaresmi 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. Perubahan terakhir melalui akta No.95 tanggal 31 Mei 2021 yang dibuat oleh Notaris Sitaresmi Puspawati Subianto, SH., dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0387989 tanggal 21 Juni 2021.

Bank mulai melakukan kegiatan operasional sesuai Surat Keputusan Menteri Keuangan Republik Indonesia No.BUM 9-4-5 pada tanggal 15 Agustus 1961. Sedangkan Unit Usaha Syariah (UUS) dibentuk dan mulai beroperasi sejak tanggal 21 Agustus 2007 sesuai dengan surat Persetujuan Prinsip Pendirian UUS dari Bank Indonesia No.9/75/DS/Sb tanggal 4 April 2007.

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.

1. GENERAL (continued)

a. Establishment of the Bank and general information (continued)

In line with the economic growth and to comply with the requirement to be Regional Champion BPD, with one of the indicators is to strengthen the capital structure, an amendment of Article of Associations was taken based on Extraordinary General Meetings of Shareholders Decision Deeds No.89 dated April 25, 2012 of Fathiah Helmi, S.H., Notary in Jakarta and granted approval from Ministry of Law and Human Rights based on decree No.AHU-22728.AH.01.02. Year 2012 dated April 30, 2012, registered on the Company list according to Limited Company Law with registration No.AHU-0038044.AH.01.09 Year 2012 dated April 30, 2012, as well as by Decision Letter of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) dated November 29, 2012 that declared effective registration statement to become a public company and changed its name to PT Bank Pembangunan Daerah Jawa Timur Tbk.

Hereinafter, the Articles of Associations has been amended No.23 dated April 8, 2015 made by Bambang Heru Djuwito, S.H., Notary in Surabaya and has been registered on the Ministry of Law and Human Rights of the Republic of Indonesia No.AHU-AH.01.03-0927646 dated April 27, 2015. The next deed No.55 dated April 22, 2020 made by Sitaresmi Puspawati Subianto, SH., Notary and has been registered on the Ministry of Law and Human Rights of the Republic Indonesia No.AHU-AH.01.03-0197642 dated April 23, 2020. The latest deed No.95 dated May 31, 2021 made by Sitaresmi Puspawati Subianto, SH., Notary and has been registered on the Ministry of Law and Human Rights of the Republic Indonesia No.AHU-AH.01.03-0387989 dated June 21, 2021.

The Bank started its commercial operations in accordance with the Decision Letter of the Minister of Finance of the Republic of Indonesia No.BUM 9-4-5 on August 15, 1961. The Sharia Operating Unit started its commercial operations on August 21, 2007 in accordance with the approval letter from Bank Indonesia No.9/75/DS/Sb dated April 4, 2007 for the establishment of the Bank's Sharia Operating Unit.

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.

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1. UMUM (lanjutan)

a. Pendirian Bank dan informasi umum (lanjutan)

Sesuai dengan pasal 3 Anggaran Dasar Bank tersebut, ruang lingkup kegiatan Bank adalah menjalankan kegiatan usaha di bidang perbankan, termasuk perbankan berdasarkan prinsip Syariah serta kegiatan perbankan lainnya yang lazim sesuai dengan peraturan perundang-undangan yang berlaku.

Tugas utama Bank adalah ikut mendorong pertumbuhan potensi ekonomi daerah melalui peran sertanya dalam mengembangkan sektor-sektor usaha kredit kecil dan menengah dalam rangka memperoleh laba yang optimal. Kegiatan utamanya yaitu menghimpun dan menyalurkan dana serta memberikan jasa-jasa perbankan lainnya.

b. Penawaran umum perdana saham

Berdasarkan Surat Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) No.S-8143/BL/2012 tanggal 29 November 2012, pernyataan pendaftaran yang diajukan Bank dalam rangka Penawaran Umum Perdana saham kepada masyarakat sejumlah 2.983.537.000 saham Seri B, dengan nilai nominal sebesar Rp250 (Rupiah penuh) setiap saham dengan harga penawaran sebesar Rp430 per saham (Rupiah penuh) telah menjadi efektif pada tanggal 29 November 2012. Saham yang ditawarkan tersebut dicatatkan dan mulai diperdagangkan di Bursa Efek Indonesia pada tanggal 12 Juli 2012. Selisih lebih antara harga penawaran per saham dengan nilai nominal per saham dicatat sebagai "Tambahan modal disetor, setelah dikurangi dengan biaya emisi saham", yang disajikan pada bagian Ekuitas pada Laporan Posisi Keuangan.

Berkaitan dengan penawaran umum saham perdana, Bank akan mengimplementasikan program *Employee Stock Allocation* (ESA) dengan mengalokasikan saham sebanyak-banyaknya sebesar 10% dari jumlah penerbitan saham yang ditawarkan dan menerbitkan opsi saham untuk program *Management and Employee Stock Option Plan* (MESOP) sebanyak-banyaknya sebesar 0,71% dari jumlah modal ditempatkan dan disetor penuh setelah penawaran umum perdana saham.

1. GENERAL (continued)

a. Establishment of the Bank and general information (continued)

In accordance with article 3 of the Bank's Articles of Association, the Bank's scope of activities is to engage in general banking services, including banking activities based on Sharia principles and other banking activities in accordance with the prevailing laws and regulations.

The main role of the Bank is to participate in developing regional economic growth by providing facilities to small and medium scale businesses to achieve appropriate profit levels. Its main activities involve collecting and lending funds and rendering other banking services.

b. Initial public offering (IPO)

Based on letter No.S-8143/BL/2012 of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) dated November 29, 2012, the registration statement submitted by the Bank relating to the Initial Public Offering of 2,983,537,000 Series B shares at Rp250 (full Rupiah) per share with selling price of Rp430 (full Rupiah) per share became effective on November 29, 2012. The shares which were offered to the public, were listed and traded on the Indonesia Stock Exchange on July 12, 2012. The excess of the share offer price over the par value per share was recognized as "Other paid-in capital - net of share issuance cost", which is presented under the Equity section of the Statement of Financial Position.

In relation to the Initial Public Offering of the shares, the Bank will implement Employee Stock Allocation (ESA) program by allocating maximum of 10% of the newly issued shares and issued Management and Employee Stock Option Plan (MESOP) program with maximum of 0.71% of the issued and paid-up shares after Initial Public Offering.

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1. UMUM (lanjutan)

b. Penawaran umum perdana saham (lanjutan)

Program MESOP Tahap I Periode Tahun 2016 telah dilaksanakan dari tanggal 1 Agustus 2016 sampai dengan 13 November 2016, tanggal 1 Februari 2017 sampai dengan 13 Maret 2017, tanggal 1 Agustus 2017 sampai dengan 13 November 2017, tanggal 1 Februari 2018 sampai dengan 15 Maret 2018, tanggal 1 Agustus 2019 sampai dengan 11 September 2019. Program MESOP Tahap II Periode Tahun 2017 telah dilaksanakan dari tanggal 1 Agustus 2017 sampai dengan 13 November 2017, tanggal 1 Februari 2018 sampai dengan 15 Maret 2018, tanggal 1 Februari 2019 sampai dengan 18 Maret 2019, tanggal 1 Agustus 2019 sampai dengan 11 September 2019. Program MESOP Tahap III telah dilaksanakan tanggal 1 Agustus 2018 sampai dengan 14 September 2018, tanggal 1 Februari 2019 sampai 18 Maret 2019, tanggal 1 Agustus 2019 sampai dengan 11 September 2019.

c. Manajemen eksekutif

Susunan Dewan Komisaris dan Direksi Bank sesuai dengan Akta Rapat Umum Pemegang Saham No.96 tanggal 31 Mei 2021 dari notaris Sitaresmi Puspawati Subianto adalah sebagai berikut:

1. GENERAL (continued)

b. Initial public offering (IPO) (continued)

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

c. Executive management

The composition of the Bank's Board of Commissioners and Directors in accordance with the general meeting of shareholders No.96 dated May 31, 2021 of notary Sitaresmi Puspawati Subianto are as follows:

2021

Dewan Komisaris		Board of Commissioners
Komisaris Utama	-	President Commissioner
Komisaris	-	Commissioner
Komisaris	Heru Tjahjono	Commissioner
Komisaris Independen	-	Independent Commissioner
Komisaris Independen	Candra Fajri Ananda	Independent Commissioner
Komisaris Independen	Muhammad Mas'ud	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 Resiko	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 Akta Rapat Umum Pemegang Saham Luar Biasa No.94 tanggal 23 Juli 2020 dari notaris Sitaresmi Puspawati Subianto adalah sebagai berikut:

Susunan Dewan Komisaris dan Direksi Bank sesuai dengan Akta Rapat Umum Pemegang Saham Luar Biasa No.94 tanggal Juli 23, 2020 dari notaris Sitaresmi Puspawati Subianto adalah sebagai berikut:

2020

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	Muhammad Mas'ud	Independent Commissioner

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1. UMUM (lanjutan)

1. GENERAL (continued)

c. Manajemen eksekutif (lanjutan)

c. Executive management (continued)

2020

<u>Direksi</u>		<u>Board of Directors</u>
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 Resiko	Erdianto Sigit Cahyono	Compliance and Risk Management Director
Direktur Risiko Bisnis	Rizyana Mirda	Business Risk Director
Direktur Keuangan	Ferdian Timur Satyagraha	Finance Director

Susunan Komite Audit adalah sebagai berikut:

The composition of the Audit Committee are as follows:

	<u>2021</u>	<u>2020</u>	
Ketua	Candra Fajri Ananda	Rudi Purwono	Chairman
Anggota	Muhammad Mas'ud	Candra Fajri Ananda	Member
Anggota	Akhmad Djauhari	Muhammad Mas'ud	Member
Anggota	Ellen Theresia Sihotang	Akhmad Djauhari	Member

Susunan Komite Pemantau Risiko adalah sebagai berikut:

The composition of the Risk Monitoring Committee are as follows:

	<u>2021</u>	<u>2020</u>	
Ketua	Candra Fajri Ananda	Muhammad Mas'ud	Chairman
Anggota	Muhammad Mas'ud	Rudi Prabowo	Member
Anggota	Syafrudin	Candra Fajri Ananda	Member
Anggota	Sulam Andjar Rochim	Syafrudin	Member

Susunan Komite Remunerasi dan Nominasi adalah sebagai berikut:

The composition of the Remuneration and Nomination Committee are as follows:

	<u>2021</u>	<u>2020</u>	
Ketua	Muhammad Mas'ud	Candra Fajri Ananda	Chairman
Anggota	Candra Fajri Ananda	Rudi Prabowo	Member
Anggota	Heru Tjahjono	Akhmad Sukardi	Member
Anggota	Revi Adiana S.	Heru Tjahjono	Member
Anggota	-	Muhammad Mas'ud	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.

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1. UMUM (lanjutan)

c. Manajemen eksekutif (lanjutan)

Susunan Internal Audit pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

	<u>2021</u>
Pemimpin Divisi	Ratna Hastutik
Pemimpin Sub Divisi	Purwoko Dekrit Yulianto
Pemimpin Sub Divisi	M. Muad
Pemimpin Sub Divisi	R. Sonny Soelaksono

Sekretaris Perusahaan pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

	<u>2021</u>
Pemimpin Divisi	Umi Rodiyah
Pemimpin Sub Divisi	Lestari Nur Imani
Pemimpin Sub Divisi	Muhammad Fahmi
Pemimpin Sub Divisi	-

Susunan Dewan Pengawas Syariah Bank pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

	<u>2021</u>
Ketua	Afifuddin Muhajir
Anggota	Sa'ad Ibrahim

Pada tanggal 31 Desember 2021 dan 2020, Bank memiliki karyawan tetap masing-masing sebanyak 4.007 dan 4.020 orang (tidak diaudit).

d. Jaringan kantor

Pada tanggal 31 Desember 2021, 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, 211 kantor kas konvensional, 2 kantor kas Syariah 248 *payment point* konvensional, 8 *payment point* Syariah, 195 kantor layanan Syariah, 780 ATM (*Automated Teller Machine*), 25 ATM Syariah (*Sharia Automated Teller Machine*), 51 CRM (*Cash Recycling Machine*) konvensional, 7 CRM (*Cash Recycling Machine*) Syariah, 97 kas mobil konvensional dan 7 kas mobil Syariah di Indonesia.

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.

1. GENERAL (continued)

c. Executive management (continued)

The composition of the Internal Audit as of December 31, 2021 and 2020 are as follows:

	<u>2020</u>	
	Eko Tri Prasetyo	<i>Division Head</i>
	M. Muad	<i>Sub Division Head</i>
	Trilaksono	<i>Sub Division Head</i>
	-	<i>Sub Division Head</i>

The Corporate Secretary as of December 31, 2021 and 2020 are as follows:

	<u>2020</u>	
	Glembuh Priambodo	<i>Division Head</i>
	Wardoyo	<i>Sub Division Head</i>
	Lestari Nur Imani	<i>Sub Division Head</i>
	Muhammad Fahmi	<i>Sub Division Head</i>

The composition of the Sharia Supervisory Board as of December 31, 2021 and 2020 are as follows:

	<u>2020</u>	
	Afifuddin Muhajir	<i>Division Head</i>
	Sa'ad Ibrahim	<i>Sub Division Head</i>

As of December 31, 2021 and 2020, the Bank has 4,007 and 4,020 permanent employees, respectively (unaudited).

d. Office network

As of December 31, 2021, 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, 211 conventional cash offices, 2 Sharia cash office, 248 conventional payment points, 8 Sharia payment point, 195 Sharia service offices, 780 ATMs (*Automated Teller Machines*), 25 ATMs Sharia (*Sharia Automated Teller Machines*), 51 CRM (*Cash Recycling Machines*) conventional, 7 CRM (*Cash Recycling Machines*) Sharia, 97 Cash ATM vehicles conventional and 7 Cash ATM vehicles Sharia located in Indonesia.

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.

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1. UMUM (lanjutan)

d. Jaringan kantor (lanjutan)

Bank mengklasifikasikan kantor cabang menjadi kantor cabang utama, kantor cabang khusus, kantor cabang kelas I, kantor cabang kelas II dan kantor cabang kelas III. Masing-masing cabang mempunyai kantor cabang pembantu dan/atau kantor kas dan/atau *payment point*.

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN

Kebijakan akuntansi utama yang ditetapkan dalam penyusunan laporan keuangan Bank adalah sebagaimana diuraikan di bawah ini:

a. Basis penyusunan laporan keuangan

Pernyataan kepatuhan

Laporan keuangan pada tanggal dan untuk tanggal-tanggal yang berakhir pada tanggal 31 Desember 2021 dan 2020, disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan (SAK) di Indonesia, yang meliputi Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan-Ikatan Akuntan Indonesia (DSAK-IAI) dan Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) No. VIII.G.7 yang terlampir dalam Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

Informasi keuangan UUS Bank disajikan sesuai dengan PSAK 101, "Penyajian Laporan Keuangan Syariah", PSAK 102, "Akuntansi Murabahah", PSAK 103, "Akuntansi Salam", PSAK 104, "Akuntansi Istishna", PSAK 105, "Akuntansi Mudharabah", PSAK 106, "Akuntansi Musyarakah", dan PSAK 107, "Akuntansi Ijarah" yang menggantikan PSAK 59 tentang "Akuntansi Perbankan Syariah" yang berkaitan dengan pengakuan, pengukuran, penyajian dan pengungkapan untuk topik tersebut dan Pedoman Akuntansi Perbankan Syariah Indonesia (PAPSI) yang diterbitkan oleh Bank Indonesia dan IAI.

Laporan keuangan telah disajikan berdasarkan nilai historis, kecuali disebutkan lain dan disusun dengan dasar akrual (kecuali bagi hasil dari pembiayaan mudharabah dan musyarakah).

1. GENERAL (continued)

d. Office network (continued)

The Bank classifies its branch offices into main branches, special branches, first-class branches, second-class branches and third-class branches. Each branch has sub-branches and/or cash offices and/or *payment points*.

2. 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, 2021 and 2020 have been prepared and presented in accordance with Financial Accounting Standards (SAK) and Statements of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standard Board of the Institute of Indonesia Chartered Accountants and the Regulation of Capital Market and Financial Institution Supervisor Board (Bapepam-LK) No. VIII.G.7 in the Decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding "Presentation and Disclosure of Financial Statements of the Issuer or Public Company".

The financial information of UUS have been prepared in conformity with PSAK 101, "Sharia Financial Statements Presentation", PSAK 102, "Accounting for Murabahah", PSAK 103, "Accounting for Salam", PSAK 104, "Accounting for Istishna", PSAK 105, "Accounting for Mudharabah", PSAK 106, "Accounting for Musyarakah" and PSAK 107, "Accounting for Ijarah" which replaces PSAK 59, "Accounting for Sharia Banking", associated with recognition, measurement, presentation and disclosure for the respective topics and Accounting Guidelines for Indonesian Sharia Banks (PAPSI) issued by Bank Indonesia and IAI.

The financial statements have been prepared on a historical cost basis, unless otherwise stated, and under the accrual basis of accounting (except for profit sharing for mudharabah and musyarakah financing).

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

a. Basis penyusunan laporan keuangan (lanjutan)

Pernyataan kepatuhan (lanjutan)

Laporan arus kas disusun dengan menggunakan metode langsung dan dikelompokkan atas dasar aktivitas operasi, investasi dan pendanaan. Untuk tujuan laporan arus kas, yang termasuk kas dan setara kas terdiri dari kas, giro pada Bank Indonesia dan bank lain, penempatan pada Bank Indonesia dan bank lain dan Fasilitas Simpanan Bank Indonesia, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

Mata uang fungsional dan penyajian

Laporan keuangan disajikan dalam mata uang Rupiah, yang merupakan mata uang fungsional Bank. Angka-angka yang disajikan dalam laporan keuangan, kecuali bila dinyatakan secara khusus, adalah dibulatkan dalam jutaan Rupiah.

b. Transaksi dan saldo dalam mata uang asing

Transaksi dalam mata uang asing dijabarkan ke mata uang rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada tanggal laporan posisi keuangan, aset dan liabilitas moneter dalam mata uang asing dijabarkan dengan menggunakan kurs yang berlaku pada tanggal laporan posisi keuangan.

Keuntungan dan kerugian selisih kurs yang timbul dari transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing diakui dalam laporan laba rugi dan penghasilan komprehensif lain tahun berjalan.

Laba atau rugi kurs valuta asing atas aset dan liabilitas moneter merupakan selisih antara biaya perolehan diamortisasi dalam Rupiah pada awal tahun, disesuaikan dengan tingkat suku bunga efektif dan pembayaran selama tahun berjalan, dan biaya perolehan diamortisasi dalam valuta asing yang dijabarkan ke dalam Rupiah dengan menggunakan kurs pada akhir tahun.

Aset dan liabilitas non-moneter dalam mata uang asing dijabarkan dengan menggunakan kurs pada tanggal transaksi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**a. Basis of preparation of the financial statements
(continued)**

Statement of compliance (continued)

The statements of cash flows have been prepared based on the direct method and have been classified on the basis of operating, investing and financing activities. For the purpose of the statements of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia and other banks and Bank Indonesia Deposits Facility maturing within 3 (three) months from the acquisition date, and not used as collateral for borrowing and not for restricted in use.

Functional and presentation currency

The financial statements are presented in Rupiah, which is the functional currency of the Bank. Unless otherwise stated, all figures presented in the financial statements are rounded off to millions of Rupiah.

b. Transaction and balances in foreign currency

Transactions denominated in foreign currencies are converted into rupiah at the exchange rates prevailing at the dates of the transactions. At the statement of financial position, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at such date.

Exchange gains and losses arising from transactions denominated in foreign currencies and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and other comprehensive income for the current year.

The foreign currency gains or losses on monetary assets and liabilities are the difference between amortized cost in Rupiah at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated into Rupiah using the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates prevailing at the transaction date.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

b. Transaksi dan saldo dalam mata uang asing (lanjutan)

Berikut ini adalah kurs mata uang asing utama yang digunakan untuk penjabaran dalam rupiah pada 31 Desember 2021 dan 2020 yang menggunakan kurs tengah berdasarkan Reuters (pukul 16.00 Waktu Indonesia Barat) (dalam Rupiah penuh).

	<u>2021</u>	<u>2020</u>	
1 Poundsterling Inggris Raya	19.251	19.012	Great Britain Poundsterling 1/Rp
1 Euro	16.112	17.234	Euro 1/Rp
1 Dolar Amerika Serikat	14.253	14.050	United States Dollar 1/Rp
1 Dolar Singapura	10.555	10.606	Singapore Dollar 1/Rp
1 Dolar Australia	10.347	10.752	Australian Dollar 1/Rp
1 Riyal Saudi Arabia	3.796	3.745	Saudi Arabian Riyal 1/Rp
1 Ringgit Malaysia	3.418	3.481	Malaysian Ringgit 1/Rp
1 Yuan China Renminbi	2.236	2.150	Chinese Yuan Renminbi 1/Rp
1 Dolar Hong Kong	1.828	1.812	Hong Kong Dollar 1/Rp
100 Yen Jepang	12.400	13.600	Japanese Yen 100/Rp

c. Pernyataan dan Interpretasi Standar Akuntansi Keuangan Baru dan Revisi yang Berlaku Efektif pada Tahun Berjalan

PSAK serta ISAK baru dan revisi termasuk pengesahan amandemen dan penyesuaian tahunan yang berlaku efektif pada tahun berjalan adalah sebagai berikut:

- PSAK 73 (Amendemen 2020): Sewa tentang Konsesi Sewa terkait Covid-19.
- 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Transaction and balances in foreign currency (continued)

Below are the major exchange rates used for translation into rupiah as of December 31, 2021 and 2020 using the middle rates based on Reuters (at 16.00 hours Western Indonesian Time) (in full amount).

c. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year

New and revised PSAKs and ISAKs including amendments and annual improvements effective in the current year are as follows:

- PSAK 73 (Amendment 2020): Leases regarding Rent Concessions related to Covid-19.
- 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.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

c. Pernyataan dan Interpretasi Standar Akuntansi Keuangan Baru dan Revisi yang Berlaku Efektif pada Tahun Berjalan (lanjutan)

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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year (continued)

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 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 PSAK 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.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

c. Pernyataan dan Interpretasi Standar Akuntansi Keuangan Baru dan Revisi yang Berlaku Efektif pada Tahun Berjalan (lanjutan)

PSAK 73: Sewa (lanjutan)

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; dan
- 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.

d. Aset dan liabilitas keuangan

Aset keuangan Bank terutama terdiri dari kas, giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat berharga, surat berharga yang dijual dengan janji dibeli kembali, surat berharga yang dibeli dengan janji dijual kembali, tagihan lainnya, kredit yang diberikan dan pembiayaan syariah dan pendapatan bunga yang masih akan diterima.

Sesuai PSAK 71, terdapat 3 (tiga) klasifikasi pengukuran aset keuangan yaitu biaya perolehan diamortisasi, diukur pada nilai wajar melalui laba rugi (FVTPL) dan diukur pada nilai wajar melalui pendapatan komprehensif lainnya (FVOCI).

Aset keuangan diklasifikasikan menjadi kategori tersebut di atas berdasarkan model bisnis dimana aset keuangan tersebut dimiliki dan karakteristik arus kas kontraktualnya. Model bisnis merefleksikan bagaimana kelompok aset keuangan dikelola untuk mencapai tujuan bisnis tertentu.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year (continued)

PSAK 73: Leases (continued)

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; and
- 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.

d. Financial assets and liabilities

The Bank's financial assets mainly consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, marketable securities, marketable securities sold under repurchased agreement, marketable securities purchased under resale agreement (reverse repo), other receivables, loans and sharia financing and interest receivables.

In accordance with PSAK 71, there are 3 (three) measurement classifications for financial assets: amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

Financial assets are classified into these categories based on the business model within which they are held and their contractual cash flow characteristics. The business model reflects how group of financial assets are managed to achieve particular business objective.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
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d. Aset dan liabilitas keuangan (lanjutan)

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.

1) Klasifikasi

Aset keuangan dapat diukur dengan biaya perolehan diamortisasi hanya jika memenuhi kedua kondisi berikut dan tidak ditetapkan sebagai FVTPL:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk memiliki aset keuangan dalam rangka mendapatkan arus kas kontraktual; dan
- Persyaratan kontraktual dari aset keuangan tersebut memberikan hak pada tanggal tertentu atas arus kas yang diperoleh semata dari pembayaran pokok dan bunga (SPPI) dari jumlah pokok terutang.

Aset keuangan diklasifikasikan sebagai FVOCI jika memenuhi kondisi berikut:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk mendapatkan arus kas kontraktual dan menjual aset keuangan; dan
- Persyaratan kontraktual dari aset keuangan tersebut memenuhi kriteria SPPI.

Aset keuangan lainnya yang tidak memenuhi persyaratan untuk diklasifikasikan sebagai aset keuangan yang diukur pada biaya perolehan diamortisasi atau FVOCI, diklasifikasikan sebagai FVTPL.

Aset keuangan tidak boleh direklasifikasi setelah pengakuan awal.

Liabilitas keuangan diklasifikasikan ke dalam kategori sebagai berikut pada saat pengakuan awal:

- Diukur pada nilai wajar melalui laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan dipersyaratkan diukur pada nilai wajar melalui laba rugi; dan
- Liabilitas keuangan lainnya merupakan liabilitas keuangan yang tidak dimiliki untuk dijual atau ditentukan sebagai nilai wajar melalui laba rugi saat pengakuan liabilitas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial assets and liabilities (continued)

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.

1) Classification

A financial asset is measured at amortized cost only if it meets both of the following conditions and is not designated as FVTPL:

- The financial assets are managed in a business model which objective is to hold the asset to obtain contractual cash flows; and
- Its contractual terms of the financial assets provide rights on a specified date for cash flows obtained solely from payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are classified as FVOCI if they meet the following condition:

- The financial assets are managed in a business model which objective is to obtain contractual cash flows and sell the financial asset; and
- The contractual requirements of the financial assets meet the SPPI criteria.

Financial assets that do not meet the requirements to be classified as financial assets measured at amortized cost or FVOCI, are classified as FVTPL.

Financial assets are not permitted to be reclassified subsequently to their initial recognition.

Financial liabilities are classified into the following categories on initial recognition:

- Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities mandatorily classified as fair value through profit or loss; and
- Other financial liabilities pertain to financial liabilities that are not held for trading nor designated as at fair value through profit or loss upon recognition of the liability.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
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d. Aset dan liabilitas keuangan (lanjutan)

2) Pengakuan dan pengukuran awal

Semua aset atau liabilitas keuangan pada saat pengakuan awal diukur sebesar nilai wajarnya ditambah biaya transaksi, kecuali untuk aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi, dimana biaya transaksi diakui langsung dalam laba rugi.

Pembelian dan penjualan aset keuangan yang lazim (*regular*), diakui pada tanggal perdagangan dimana Bank memiliki komitmen untuk membeli atau menjual aset tersebut.

Semua aset dan liabilitas keuangan lainnya pada awalnya diakui pada tanggal perdagangan dimana Bank menjadi suatu pihak dalam ketentuan kontraktual instrumen tersebut.

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Untuk aset keuangan, biaya transaksi ditambahkan pada jumlah yang diakui pada awal pengakuan aset, sedangkan untuk liabilitas keuangan, biaya transaksi dikurangkan dari jumlah liabilitas yang diakui pada awal pengakuan liabilitas.

Biaya transaksi tersebut diamortisasi selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan bunga untuk biaya transaksi sehubungan dengan aset keuangan atau sebagai bagian dari beban bunga untuk biaya transaksi sehubungan dengan liabilitas keuangan. Setelah pengakuan awal, Bank mengukur aset keuangan, sesuai dengan klasifikasi aset keuangan pada; (i) Biaya perolehan diamortisasi; (ii) Nilai wajar melalui penghasilan komprehensif lain; atau (iii) Nilai wajar melalui laba rugi.

Aset keuangan pada biaya perolehan diamortisasi diukur dengan menjumlahkan aset keuangan yang diukur saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya dan disesuaikan dengan penyisihan kerugiannya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial assets and liabilities (continued)

2) Recognition and initial measurement

All financial assets or liabilities are measured initially at their fair value plus transaction costs, except for financial assets and financial liabilities measured at fair value through profit or loss, transaction costs are recognized directly in profit or loss.

Regular way purchases and sales of financial assets are recognized on the trade date at which the Bank commits to purchase or sell those assets.

All other financial assets and liabilities are initially recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

Transaction costs include only those costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and are incremental costs that would not have been incurred if the financial instruments had not been acquired or issued. In the case of financial assets, transaction costs are added to the amount recognized initially, while for financial liabilities, transaction costs are deducted from the amount of liability recognized initially.

Such transaction costs are amortized over the terms of the instruments based on the effective interest method and are recorded as part of interest income for transaction costs related to financial assets or interest expenses for transaction costs related to financial liabilities. After initial recognition, the Bank measures financial assets, according to the classification of financial assets at (i) amortized cost; (ii) Fair value through other comprehensive income; or (iii) Fair value through profit or loss.

Financial assets at amortized cost are measured by adding up the financial assets measured at initial recognition minus principal payments, added or reduced by cumulative amortization using the effective interest method calculated from the difference between the initial value and the maturity value and adjusted for the allowance for losses.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Aset dan liabilitas keuangan (lanjutan)

d. Financial assets and liabilities (continued)

2) Pengakuan dan pengukuran awal (lanjutan)

2) Recognition and initial measurement (continued)

Keuntungan atau kerugian akibat fluktuasi nilai wajar tidak diakui aset keuangan pada biaya perolehan diamortisasi.

Gains or losses due to fluctuations in fair value are not recognized financial assets at amortized cost.

Pendapatan bunga dihitung menggunakan metode bunga efektif yaitu dengan menerapkan suku bunga efektif atas jumlah tercatat bruto aset keuangan, kecuali untuk:

Interest income is calculated using the effective interest method by applying an effective interest rate to the gross carrying amount of financial assets, except for:

- a) aset keuangan yang dibeli atau yang berasal dari aset keuangan memburuk. Untuk aset keuangan tersebut, Bank menerapkan suku bunga efektif yang disesuaikan dengan kredit atas biaya perolehan diamortisasi aset keuangan sejak pengakuan awal.
- b) aset keuangan yang tidak dibeli atau yang berasal dari aset keuangan memburuk tetapi selanjutnya menjadi aset keuangan memburuk. Untuk aset keuangan tersebut, Bank menerapkan suku bunga efektif atas biaya perolehan diamortisasi aset keuangan di periode pelaporan selanjutnya.

a) financial assets purchased or originating from financial assets deteriorate. For these financial assets, the Bank applies an effective interest rate adjusted by credit for the amortized cost of the financial assets from initial recognition.

b) financial assets that are not purchased or that originate from financial assets deteriorate but subsequently become financial assets deteriorate. For these financial assets, the Bank applies an effective interest rate on the amortized cost of the financial assets in the next reporting period.

Setelah pengakuan awal, Bank mengukur liabilitas keuangan, sesuai dengan klasifikasi aset keuangan pada: (i) Biaya perolehan diamortisasi; atau (ii) Nilai wajar melalui laba rugi.

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.

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.

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.

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, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

3) Penghentian pengakuan

3) Derecognition

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.

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.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING
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d. Aset dan liabilitas keuangan (lanjutan)

d. Financial assets and liabilities (continued)

3) Penghentian pengakuan

3) Derecognition

Bank menghentikan pengakuan liabilitas keuangan pada saat kewajiban yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluarsa.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Dalam transaksi dimana Bank secara substansial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Bank menghentikan pengakuan aset tersebut jika Bank tidak lagi memiliki pengendalian atas aset tersebut. Hak dan kewajiban yang masih dimiliki dalam transfer tersebut diakui secara terpisah sebagai aset atau liabilitas. Dalam transfer dimana pengendalian atas aset masih dimiliki, Bank tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan berkelanjutan Bank yang ditentukan dengan seberapa jauh Bank terekspos terhadap perubahan nilai aset yang ditransfer.

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.

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.

The Bank writes off financial assets and any related allowance for impairment losses when the Bank determines that those financial assets are uncollectible. The decision is reached after Bank had undertaken various efforts to obtain back the financial asset as well as considering information such as the occurrence of significant changes in the financial position of borrower/financial asset issuer such that the borrower/financial asset issuer can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure.

4) Saling hapus

4) Offsetting

Aset keuangan dan liabilitas keuangan dapat saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika, dan hanya jika, Bank memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

Financial assets and financial liabilities are set off and the net amount is presented in the statement of financial position when, and only when, the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

Income and expenses are presented on a net basis only when permitted by accounting standards.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING
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d. Aset dan liabilitas keuangan (lanjutan)

d. Financial assets and liabilities (continued)

5) Pengukuran biaya perolehan diamortisasi

5) Amortized cost measurement

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.

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.

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.

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.

Perhitungan suku bunga efektif mencakup biaya transaksi dan seluruh provisi yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif.

The calculation of the effective interest rate includes transaction costs and all fees paid or received that are an integral part of the effective interest rate.

6) Pengukuran nilai wajar

6) Fair value measurement

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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6) Pengukuran nilai wajar (lanjutan)

Jika tersedia, Bank mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasian di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika transaksi atas aset dan liabilitas terjadi dengan frekuensi dan volume yang memadai untuk menyediakan informasi penentuan harga secara berkelanjutan.

Jika harga kuotasian tidak tersedia di pasar aktif, Bank menggunakan teknik penilaian dengan memaksimalkan penggunaan input yang dapat diobservasi dan relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi. Teknik penilaian yang dipilih menggabungkan semua faktor yang diperhitungkan oleh pelaku pasar dalam penentuan harga transaksi.

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Bank menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasian di pasar aktif untuk aset atau liabilitas yang identik atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menanggulangi perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi. Setelah pengakuan awal, perbedaan tersebut diakui dalam laba rugi berdasarkan umur dari instrumen tersebut namun tidak lebih lambat dari saat penilaian tersebut didukung sepenuhnya oleh data pasar yang dapat diobservasi atau saat transaksi ditutup.

Jika aset atau liabilitas yang diukur pada nilai wajar memiliki harga penawaran dan harga permintaan, maka Bank mengukur aset dan jangka panjang berdasarkan harga penawaran dan mengukur liabilitas dan jangka pendek berdasarkan harga permintaan.

Portofolio aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar, yang terekspos risiko pasar dan risiko kredit yang dikelola oleh Bank berdasarkan eksposur netonya baik terhadap risiko pasar ataupun risiko kredit diukur berdasarkan harga yang akan diterima untuk menjual posisi *net long* (atau dibayar untuk mengalihkan posisi *net short*) untuk eksposur risiko tertentu. Penyesuaian pada level portofolio tersebut dialokasikan pada aset dan liabilitas individual berdasarkan penyesuaian risiko relatif dari masing-masing instrumen individual di dalam portofolio.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Financial assets and liabilities (continued)

6) Fair value measurement (continued)

When available, the Bank measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask prices.

Portfolios of financial assets and financial liabilities measured at fair value, that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk, are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. 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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

e. Transaksi dengan pihak-pihak berelasi

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak-pihak berelasi seperti yang didefinisikan dalam PSAK 7 (Revisi 2015) tentang "Pengungkapan Pihak-pihak Berelasi".

Yang dimaksud dengan pihak yang berelasi adalah orang atau entitas yang berelasi dengan entitas pelapor sebagai berikut:

- i. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - a) memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - b) memiliki pengaruh signifikan atas entitas pelapor; atau
 - c) personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.
- ii. Satu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
 - a) Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lainnya);
 - b) Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang tersebut adalah anggotanya);
 - c) Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
 - d) Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
 - e) Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
 - f) Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (i);
 - g) Orang yang diidentifikasi dalam huruf (i). (a) memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas (atau entitas induk dari entitas); atau
 - h) Entitas atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelapor.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

e. Transactions with related parties

In the normal course of its business, the Bank enters into transactions with related parties which are defined under PSAK 7 (Revised 2015), "Related Party Disclosures".

The meaning of a related party is a person or entity that is related to a reporting entity as follow:

- i. *A person or a close member of that person's family is related to a reporting entity if that person:*
 - a) *has control or joint control over the reporting entity;*
 - b) *has significant influence over the reporting entity; or*
 - c) *a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*
- ii. *An entity is related to the reporting entity if any of the following conditions applies:*
 - a) *The entity and the reporting entity are members of the same Bank and its subsidiaries (which means that each parent, subsidiary and fellow subsidiary is related to the others);*
 - b) *One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Bank and its subsidiaries of which the other entity is a member);*
 - c) *Both entities are joint ventures of the same third party;*
 - d) *One entity is a joint venture of a third entity and the other entity is an associate of the third entity;*
 - e) *The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity;*
 - f) *The entity is controlled or jointly controlled by a person identified in (a);*
 - g) *A person identified in (a). (1) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity); or*
 - h) *The entity or any members of a Bank and its subsidiaries of which it is a part, provides key management personnel service to the reporting entity or to the parent of the reporting entity.*

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

e. Transaksi dengan pihak-pihak berelasi (lanjutan)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Transactions with related parties (continued)

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.

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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

i. Surat berharga (lanjutan)

Surat-surat berharga pada awalnya disajikan sebesar nilai wajarnya. Setelah pengakuan awal, surat-surat berharga dicatat sesuai dengan kategorinya yaitu yang diukur pada nilai wajar melalui penghasilan komprehensif lain, investasi pada biaya perolehan diamortisasi atau berdasarkan nilai wajar melalui laba atau rugi.

Penilaian surat berharga didasarkan atas klasifikasinya sebagai berikut:

- 1) Surat berharga yang dicatat pada biaya perolehan yang diamortisasi menggunakan metode suku bunga efektif.
- 2) Surat berharga yang dimiliki untuk diperdagangkan dan yang ditetapkan pada nilai wajar melalui laba rugi pada saat pengakuan awal dinyatakan pada nilai wajar. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar diakui dalam laporan laba rugi dan penghasilan komprehensif lain.
- 3) Surat berharga yang diklasifikasikan pada nilai wajar melalui penghasilan komprehensif lain dinyatakan pada nilai wajar. Pendapatan bunga diakui dalam laporan laba rugi dan penghasilan komprehensif lain menggunakan metode suku bunga efektif. Laba atau rugi selisih kurs atas surat berharga yang tersedia untuk dijual diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Perubahan nilai wajar lainnya diakui secara langsung dalam ekuitas sampai dengan surat-surat berharga tersebut dijual atau mengalami penurunan nilai, dimana keuntungan dan kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Aset Keuangan Sukuk

Bank menerapkan PSAK No. 110 "Investasi Sukuk" yang mengatur mengenai pengakuan, pengukuran, penyajian, dan pengungkapan transaksi sukuk ijarah dan sukuk mudharabah.

- 1) Diukur pada biaya perolehan
 - a) Investasi tersebut dimiliki dalam suatu model usaha yang bertujuan utama untuk memperoleh arus kas kontraktual dan terdapat persyaratan kontraktual dalam menentukan tanggal tertentu atas pembayaran pokok dan atau hasilnya.
 - b) Biaya perolehan sukuk termasuk biaya transaksi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

i. Marketable securities (continued)

Marketable securities are initially measured at fair value. After the initial recognition, the marketable securities are recorded according to their category, i.e., fair value through other comprehensive income, amortized cost investments or at fair value through profit or loss.

The value of marketable securities is stated based on the classification as follows:

- 1) Amortized cost marketable securities are carried at amortized cost using the effective interest rate method.
- 2) Marketable securities classified as held-for-trading and designated at fair value through profit or loss on initial recognition are stated at fair value. Gains and losses from changes in fair value are recognized in the statements of profit or loss and other comprehensive income.
- 3) Marketable securities classified as fair value through other comprehensive income investments are stated at fair value. Interest income is recognized in the statements of profit or loss and other comprehensive income using the effective interest rate method. Foreign exchange gains or losses on available-for-sale marketable securities are recognized in the statements of profit or loss and other comprehensive income.

Other fair value changes are recognized directly in equity until the marketable securities are sold or impaired, whereby the cumulative gains and losses previously recognized in equity are recognized in the statements of profit or loss and other comprehensive income.

Sukuk Financial Assets

The Bank applies PSAK No. 110 "Sukuk Investment" which regulate about recognition, measurement, presentation, and disclosure transaction of sukuk ijarah and sukuk mudharabah.

- 1) Measured at cost
 - a) The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and has contractual term in determining the specific date of principal payments and or the results.
 - b) Sukuk acquisition cost includes transaction cost.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

i. Surat berharga (lanjutan)

- 1) Diukur pada biaya perolehan (lanjutan)
 - c) Selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk.
 - d) Rugi penurunan nilai diakui jika jumlah terpulihkan lebih kecil dari jumlah tercatat dan disajikan sebagai rugi penurunan nilai di dalam laba rugi.
- 2) Diukur pada nilai wajar
 - a) Nilai wajar ditentukan dengan mengacu pada urutan sebagai berikut:
 - Kuotasi harga di pasar aktif.
 - Harga yang terjadi dari transaksi terkini, apabila tidak ada kuotasi harga di pasar aktif.
 - Nilai wajar instrumen sejenis, apabila tidak ada kuotasi harga di pasar aktif, dan tidak ada harga yang terjadi dari transaksi terkini.
 - b) Biaya perolehan sukuk tidak termasuk biaya transaksi.
 - c) Selisih antara nilai wajar dan jumlah tercatat diakui dalam laba rugi.

j. Surat berharga yang dijual dengan janji dibeli kembali (repo) dan surat berharga yang dibeli dengan janji dijual kembali (reverse repo)

Surat berharga yang dijual dengan janji dibeli kembali (*repo*) disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar harga pembelian kembali yang disepakati dikurangi selisih antara harga jual dan harga pembelian kembali yang disepakati. Selisih antara harga jual dan harga pembelian kembali yang disepakati tersebut diamortisasi dengan menggunakan metode suku bunga efektif sebagai beban bunga selama jangka waktu sejak surat berharga tersebut dijual hingga saat dibeli kembali.

Surat berharga yang dijual dengan janji dibeli kembali diklasifikasikan sebagai biaya perolehan diamortisasi.

Surat berharga yang dibeli dengan janji untuk dijual kembali disajikan sebagai aset dalam laporan posisi keuangan sebesar harga beli ditambah dengan pendapatan bunga yang sudah diakui tapi belum diterima, dikurangi dengan cadangan kerugian penurunan nilai, jika diperlukan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

i. Marketable securities (continued)

- 1) Measured at cost (continued)
 - c) The difference between the acquisition cost and the nominal value is amortized on a straight line basis over the period of the sukuk.
 - d) Impairment loss is recognized if the recoverable amount is less than the carrying amount and is presented as an impairment loss in the profit or loss.
- 2) Measured at fair value
 - a) The fair value is determined with reference to the following order:
 - Price quotation in active market.
 - Price from the current transaction, if there is no available price quotations in an active market.
 - Fair value of similar instrument, if there is no available price quotations in an active market and no price from the current transaction.
 - b) Sukuk acquisition cost does not include transaction cost.
 - c) The difference between fair value and carrying value is presented in profit or loss.

j. Marketable securities sold under repurchase agreement (repo) and marketable securities purchased under resale agreement (reverse repo)

Marketable securities sold under repurchased agreements (*repo*) are presented as liabilities in the statement of financial position at the agreed repurchase price less the difference between the selling price and agreed repurchase price. The difference between the selling price and agreed repurchase price is amortised using effective interest method as interest expense over the period commencing from the selling date to the repurchase date.

Marketable securities sold under repurchased agreement are classified as amortized cost.

Marketable securities purchased under resale agreements are presented as an asset in the statement of financial position at the purchase price added with interest income recognised but not yet received, less allowance for impairment losses, where appropriate.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

j. Surat berharga yang dijual dengan janji dibeli kembali (repo) dan surat berharga yang dibeli dengan janji dijual kembali (reverse repo) (lanjutan)

Pada pengukuran awal, surat berharga yang dibeli dengan janji dijual kembali (reverse repo) disajikan sebesar nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung.

Surat berharga yang dibeli dengan janji dijual kembali (reverse repo) diklasifikasikan sebagai biaya perolehan diamortisasi.

k. Tagihan lainnya

Tagihan lainnya terdiri dari tagihan transfer dan transaksi ATM antar bank. Akun ini diklasifikasikan sebagai biaya perolehan diamortisasi.

l. Kredit yang diberikan dan pembiayaan syariah

Kredit yang diberikan pada awalnya diukur pada nilai wajar ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dan merupakan biaya tambahan untuk memperoleh aset keuangan tersebut, dan setelah pengakuan awal diukur pada biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi dengan penyisihan kerugian penurunan nilai.

Kredit yang diberikan diklasifikasikan sebagai biaya perolehan diamortisasi.

Penerusan kredit yang diberikan dinyatakan sebesar pokok kredit yang diberikan.

Biaya yang dapat diatribusikan secara langsung dalam pengakuan kredit yang diberikan meliputi biaya provisi dan komisi.

Kredit yang diberikan termasuk piutang syariah, pendanaan mudharabah dan musyarakah serta piutang qardh.

Piutang syariah merupakan hasil dari transaksi jual beli berdasarkan perjanjian murabahah.

Murabahah adalah akad jual beli barang tertentu dengan harga ditentukan sebesar harga perolehan ditambah keuntungan yang disepakati dan Bank sebagai penjual harus mengungkapkan harga perolehan barang tersebut kepada pembeli (debitur). Piutang murabahah dinyatakan sebesar jumlah piutang setelah dikurangi dengan "marjin yang ditangguhkan" yang belum direalisasikan dan penyisihan kerugian.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

j. Marketable securities sold under repurchase agreement (repo) and marketable securities purchased under resale agreement (reverse repo) (continued)

Marketable securities purchased under resale agreement (reverse repo) are initially measured at fair value plus directly attributable transaction costs.

Marketable securities purchased under resale agreement (reverse repo) are classified as amortized cost.

k. Other receivables

Other receivables consist of transfer receivable and inter-banks ATM transaction. This account is classified as amortized cost.

l. Loans and sharia financing

Loans are initially measured at fair value plus transaction costs that are attributable to obtaining the financial asset, and subsequently measured at their amortized cost using the effective interest rate method, net of allowance for impairment losses.

Loans are classified as amortized cost.

Channeling loans are stated at the principal amount.

Attributable costs to the recognition of loans comprises of provision and commissions.

Loans may include sharia receivables, mudharabah and musyarakah financing and qardh receivable.

Sharia receivables result from sale and purchase transactions based on murabahah agreements.

Murabahah is an agreement to buy and sell certain products at acquisition cost plus a certain margin to be agreed by both the buyer and seller and the Bank as the seller is required to disclose the acquisition cost to the buyer. Murabahah receivables are stated at the amount of receivables less unrealized deferred margin and allowance for losses.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

1. Kredit yang diberikan dan pembiayaan syariah (lanjutan)

Mudharabah adalah kontrak kerjasama usaha antara pemilik dana (shahibul maal) dan manajer pendanaan (mudharib) berdasarkan rasio pendapatan atau keuntungan dan kerugian yang ditentukan sebelumnya. Piutang 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. Loans and sharia financing (continued)

Mudharabah is a business cooperation contract between the owner of the funds (shahibul maal) and fund managers (mudharib) based on the ratio of income or gains and losses are predetermined. 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. Subsequent recoveries of loans written-off are credited to the allowance for impairment losses in the statements of financial position, if recovered in the current year and are recognized in the statement of profit or loss and other comprehensive income as other operating income, if recovered after the statement of financial position date.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

m. Identifikasi dan pengukuran kerugian penurunan nilai

Aset produktif terdiri dari giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat berharga, surat berharga yang dijual dengan janji dibeli kembali (*repo*), surat berharga yang dibeli dengan janji dijual kembali (*reverse repo*), kredit yang diberikan, tagihan lainnya dan komitmen dan kontinjensi.

Komitmen dan kontinjensi pada transaksi rekening administratif, antara lain terdiri dari namun tidak terbatas pada penerbitan jaminan, *letter of credit*, *standby letter of credit* dan fasilitas kredit yang belum digunakan.

Penurunan nilai aset keuangan

PSAK 71 mengharuskan cadangan kerugian diakui sebesar kerugian kredit ekspektasian (*Expected Credit Loss ECL*) 12 bulan (*12-month ECL*) atau kerugian kredit ekspektasian sepanjang umur aset keuangan (*lifetime ECL*). *Lifetime ECL* adalah kerugian kredit ekspektasian yang berasal dari semua kemungkinan kejadian gagal bayar sepanjang umur ekspektasian suatu instrumen keuangan, sedangkan *ECL 12 bulan* adalah porsi dari kerugian kredit ekspektasian yang berasal dari kemungkinan kejadian gagal bayar dalam 12 bulan setelah tanggal pelaporan.

Bank mengakui cadangan kerugian untuk *ECL* pada instrumen keuangan berikut yang tidak diukur pada *FVTPL*:

- Aset keuangan yang merupakan instrumen utang;
- Kontrak jaminan keuangan yang diterbitkan; dan
- Komitmen pinjaman diberikan.

Pada setiap tanggal pelaporan, Bank akan mengukur cadangan kerugian instrumen keuangan sejumlah kerugian kredit ekspektasian sepanjang umur (*lifetime*) instrumen keuangan, jika risiko kredit atas instrumen keuangan tersebut telah meningkat secara signifikan sejak pengakuan awal. Bank akan mengakui cadangan kerugian sejumlah *lifetime ECL*, kecuali dalam kondisi berikut, dimana cadangan kerugian sejumlah *ECL 12 bulan* yang akan diakui:

- Instrumen keuangan dengan risiko kredit rendah atau ekuivalen dengan tingkat risiko negara Republik Indonesia; dan
- Risiko kredit instrumen keuangan yang belum meningkat secara signifikan sejak pengakuan awal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Identification and measurement of impairment losses

Earning assets consist of current accounts with other banks, placements with Bank Indonesia and other banks, marketable securities, marketable securities sold under purchased agreement (repo), marketable securities purchased under resale agreement (reverse repo), loans, other receivable and commitments and contingencies.

Commitments and contingencies are off-balance sheet transactions which include but are not limited to issued guarantees, letters of credit, standby letters of credit and unused loan facilities.

Impairment of financial assets

PSAK 71 requires a loss allowance to be recognized at an amount equal to either 12 month Expected Credit Loss or lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after reporting date.

The Bank recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL:

- *Financial assets that are debt instruments;*
- *Financial guarantee contracts issued; and*
- *Loan commitments issued.*

At each reporting date, the Bank shall measure the loss allowance for a financial instrument at an amount equal to the lifetime credit losses, if the credit risk on that financial instrument has increased significantly since initial recognition. The Bank will recognize loss allowances at an amount equal to lifetime ECLs, except in the following cases, for which the amount recognized will be 12-month ECLs:

- *The financial instruments with low credit risk when its credit risk rating is equivalent to the sovereign risk rating of Republic of Indonesia; and*
- *Financial instruments for which credit risk has not increased significantly since initial recognition.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)

Penurunan nilai aset keuangan (lanjutan)

Ketentuan-ketentuan penurunan nilai menurut PSAK 71 adalah kompleks dan memerlukan pertimbangan-pertimbangan, estimasi-estimasi dan asumsi-asumsi manajemen, terutama untuk area-area berikut ini:

- Evaluasi apakah risiko kredit dari suatu instrumen telah meningkat secara signifikan sejak pengakuan awal; dan
- Memasukkan informasi yang bersifat forward looking dalam pengukuran ECL.

Bank menganggap sekuritas investasi pemerintah dalam mata uang Rupiah dan dana yang ditempatkan pada Bank Indonesia memiliki risiko kredit yang rendah, karena pokok dan bunga investasi pemerintah tersebut dijamin oleh pemerintah dan tidak ada kerugian yang pernah terjadi. Bank tidak menerapkan pengecualian risiko kredit yang rendah untuk instrumen keuangan lainnya.

ECL 12 bulan adalah bagian dari ECL yang dihasilkan dari kejadian gagal bayar pada instrumen keuangan yang mungkin terjadi dalam 12 bulan setelah tanggal pelaporan. Instrumen keuangan yang diakui dari ECL 12 bulan disebut sebagai "instrumen keuangan tahap 1".

Kerugian kredit ekspektasian sepanjang umur aset keuangan adalah kerugian kredit ekspektasian yang dihasilkan dari semua kejadian gagal bayar yang mungkin terjadi selama perkiraan umur instrumen keuangan. Instrumen keuangan yang diakui dari kerugian kredit ekspektasian sepanjang umur aset keuangan tetapi tidak mengalami penurunan nilai kredit disebut sebagai "instrumen keuangan tahap 2".

Pengukuran ECL

ECL adalah estimasi kemungkinan kerugian kredit berdasarkan probabilitas tertimbang. ECL diukur sebagai berikut:

- Aset keuangan yang tidak mengalami penurunan nilai pada tanggal pelaporan: sebesar nilai kini dari seluruh kekurangan kas (yaitu perbedaan antara arus kas terutang sesuai dengan kontrak dan arus kas yang diperkirakan akan diterima oleh Bank);
- Aset keuangan yang mengalami penurunan nilai kredit pada tanggal pelaporan: sebagai perbedaan antara nilai tercatat bruto dan nilai kini dari estimasi arus kas masa depan;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Identification and measurement of impairment losses (continued)

Impairment of financial assets (continued)

The impairment requirements of PSAK 71 are complex and require management judgments, estimates and assumptions, particularly in the following areas:

- Assessing whether the credit risk of an instrument has increased significantly since initial recognition; and
- Incorporating forward-looking information into the measurement of ECLs.

The Bank considers an IDR denominated government investment securities and funds placed with Bank Indonesia are having low credit risk, since the principal and interest of government bond are guaranteed by the government and there is no historical loss experience. The Bank does not apply the low credit risk exemption to any other financial instruments.

12-month ECL is the portion of ECL resulted from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as "Stage 1 financial instruments".

Life-time ECL is the ECL resulted from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as "Stage 2 financial instruments".

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)

Pengukuran ECL (lanjutan)

ECL adalah estimasi kemungkinan kerugian kredit berdasarkan probabilitas tertimbang. ECL diukur sebagai berikut (lanjutan):

- Komitmen pinjaman yang belum ditarik: sebagai nilai kini dari selisih antara arus kas kontraktual terutang kepada Bank jika komitmen direalisasi menjadi pinjaman dan arus kas yang diperkirakan akan diterima oleh Bank; dan
- Kontrak jaminan keuangan: pembayaran yang diperkirakan akan dibayarkan kepada pemegang kontrak jaminan keuangan dikurangi jumlah yang diperkirakan dapat dipulihkan oleh Bank.

Aset keuangan yang mengalami penurunan nilai kredit

Pada setiap tanggal pelaporan, Bank menilai apakah aset keuangan yang dicatat pada biaya perolehan diamortisasi dan aset keuangan dalam bentuk efek utang yang dicatat pada FVOCI mengalami penurunan nilai kredit (disebut sebagai "aset keuangan tahap 3"). Aset keuangan mengalami penurunan nilai ketika satu atau lebih peristiwa yang memiliki dampak buruk pada perkiraan arus kas masa depan dari aset keuangan telah terjadi.

Berikut adalah rangkuman data yang dapat diobservasi sebagai bukti bahwa aset keuangan mengalami penurunan nilai:

- Kesulitan keuangan yang signifikan dari debitur atau penerbit;
- Pelanggaran kontrak seperti gagal bayar atau tunggakan;
- Restrukturisasi pinjaman oleh Bank dengan ketentuan yang Bank tidak akan pertimbangkan sebelumnya;
- Kemungkinan bahwa peminjam akan mengalami kebangkrutan atau reorganisasi keuangan lainnya; atau
- Hilangnya dari pasar aktif suatu efek dikarenakan kesulitan keuangan.

Pinjaman yang telah dinegosiasikan ulang karena memburuknya kondisi peminjam biasanya dianggap mengalami penurunan nilai kredit, kecuali ada bukti bahwa risiko tidak menerima arus kas kontraktual berkurang secara signifikan dan tidak ada indikator penurunan nilai lainnya. Selain itu, pinjaman ritel yang jatuh tempo selama 90 hari atau lebih dianggap mengalami penurunan nilai kredit meskipun definisi gagal bayar menurut peraturan berbeda.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Identification and measurement of impairment losses (continued)

Measurement of ECL (continued)

ECL is a probability-weighted estimate of credit losses. It is measured as follows (continued):

- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn-down and the cash flows that the Bank expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

Credit impaired financial assets

At each reporting date, the Bank assesses whether financial assets carried at amortized cost and debt financial assets carried at FVOCI are credit-impaired (referred to as "Stage 3 financial assets"). A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or past due event;
- The restructuring of loan by the Bank on terms that the Bank would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a securities because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired, unless there is evidences that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a retail loan that is overdue for 90 days or more is considered credit-impaired even when the regulatory definition of default is different.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)

Penyajian cadangan ECL dalam laporan posisi keuangan

Cadangan kerugian untuk ECL disajikan dalam laporan posisi keuangan sebagai berikut ini:

- Aset keuangan diukur pada biaya perolehan diamortisasi: sebagai pengurang dari nilai tercatat bruto aset;
- Komitmen pinjaman dan kontrak jaminan keuangan: umumnya, sebagai provisi;
- Jika instrumen keuangan mencakup komponen yang telah ditarik dan yang belum ditarik, dan Bank tidak dapat mengidentifikasi ECL pada komponen komitmen pinjaman secara terpisah dari komponen yang telah ditarik: Bank menyajikan cadangan kerugian gabungan untuk kedua komponen. Jumlah gabungan cadangan kerugian disajikan sebagai pengurang dari nilai tercatat bruto komponen yang telah ditarik. Kelebihan dari cadangan kerugian atas nilai tercatat komponen yang telah ditarik disajikan sebagai provisi; dan
- Instrumen utang diukur pada FVOCI: tidak ada cadangan kerugian diakui sebagai pengurang nilai tercatat aset keuangan karena nilai tercatat dari aset-aset ini adalah pada nilai wajar. Namun, cadangan kerugian kredit diakui sebagai bagian dari cadangan nilai wajar dalam penghasilan komprehensif lain.

Penghapusan

Pinjaman dan efek utang dihapuskan (baik sebagian atau seluruhnya) ketika tidak ada harapan yang wajar untuk memulihkan aset keuangan secara keseluruhan atau sebagian. Hal ini biasanya terjadi ketika Bank memastikan bahwa debitur tidak memiliki aset atau sumber pendapatan yang dapat menghasilkan arus kas yang cukup untuk membayar jumlah pinjaman yang akan dihapusbukukan. Penilaian ini dilakukan pada tingkat aset individu.

Pemulihan atas jumlah pinjaman yang sebelumnya dihapusbukukan termasuk dalam "pendapatan lain-lain" dalam laporan laba rugi dan penghasilan komprehensif lain.

Aset keuangan yang dihapusbukukan masih diusahakan penagihannya sesuai prosedur Bank untuk pemulihan jumlah yang terutang.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)**

**m. Identification and measurement of impairment losses
(continued)**

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- Loan commitments and financial guarantee contracts: generally, as a provision;
- Where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross carrying amount of the drawn component is presented as a provision; and
- Debt instruments measured at FVOCI: no loss allowance is recognized as deduction to the carrying amount of the financial asset due to the carrying amount of these assets is their fair value. However, the credit loss allowance is recognized as part of fair value reserve in other comprehensive income.

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written-off are included in "other income" in the statement of profit or loss and other comprehensive income.

Financial assets that are written-off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)

Peningkatan risiko kredit secara signifikan

Dalam PSAK 71, ketika menentukan apakah risiko kredit atas suatu instrumen keuangan telah meningkat secara signifikan sejak pengakuan awal, Bank akan mempertimbangkan informasi yang wajar dan didukung 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Identification and measurement of impairment losses (continued)

Significant increase in credit risk

Under PSAK 71, when determining whether the credit risk of a financial instrument has increased significantly since initial recognition, the Bank will consider reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Bank historical experience, credit assessment and forward-looking information.

Assessing whether credit risk has increased significantly since initial recognition of financial instrument requires identifying the date of initial recognition of the instrument.

The Bank has established a framework that incorporates both quantitative and qualitative information to determine whether the credit risk on a financial instrument has increased significantly since initial recognition. The framework aligns with the Bank's internal credit risk management process. The criteria for determining whether credit risk has increased significantly will vary by portfolio.

As a 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.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)

Input yang digunakan untuk pengukuran ECL (lanjutan)

Konsep dari LGD adalah menggabungkan semua pemulihan dari proses penagihan yang telah selesai menjadi tingkat kerugian yang mencerminkan biaya penagihan dan nilai waktu atas tingkat kerugian. Data pemulihan yang dikumpulkan adalah jumlah pemulihan yang diterima oleh Bank dari akun *non-performing loan* yang telah dihapusbukukan atau telah lunas dibayar/diselesaikan.

EAD merupakan eksposur ekspektasian pada saat terjadi gagal bayar. Bank akan mendapatkan nilai EAD berdasarkan eksposur terhadap pihak lawan saat ini dan kemungkinan perubahan terhadap eksposur saat ini berdasarkan kontrak, termasuk amortisasi dan pelunasan dipercepat. EAD dari aset keuangan adalah nilai tercatat bruto saat gagal bayar. Untuk komitmen pinjaman dan kontrak jaminan keuangan, nilai EAD akan mempertimbangkan jumlah yang telah ditarik, dan potensial jumlah yang akan ditarik di masa depan atau dibayarkan sesuai dengan kontrak.

Penurunan nilai atas aset non-produktif

Penyesuaian atas penyisihan penghapusan aset non-produktif dicatat dalam periode dimana penyesuaian tersebut diketahui atau dapat ditaksir secara wajar. Termasuk di dalam penyesuaian ini adalah penambahan penyisihan penghapusan aset non-produktif maupun pemulihan aset non-produktif yang telah dihapusbukukan sebelumnya.

Aset non-produktif dihapusbukukan dengan mengurangi penyisihan penghapusan yang bersangkutan apabila menurut manajemen aset tersebut tidak mungkin dipulihkan lagi.

Penyisihan kerugian aset produktif dan aset non-produktif - produk perbankan Syariah

Unit Usaha Syariah membentuk penyisihan kerugian atas aset produktif dan aset non-produktif berdasarkan penelaahan manajemen terhadap kualitas aset produktif dan aset non-produktif tersebut pada tiap akhir tahun, evaluasi manajemen atas prospek usaha, kinerja keuangan dan kemampuan membayar setiap debitur. Serta mempertimbangkan juga hal-hal lain seperti klasifikasi berdasarkan hasil pemeriksaan 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Identification and measurement of impairment losses (continued)

Input into measurement of ECLs (continued)

The concept of LGD is incorporating all recoveries from a completed collection process into loss rate which would reflect the collection cost and the time value on loss rate. The data of recoveries are collected based on recoveries received by the Bank from the non-performing loan account that has been written-off or fully repaid/settled.

EAD represents the expected exposure in the event of a default. The Bank will derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortization, and prepayments. The EAD of a financial asset will be the gross carrying amount at default. For lending commitments and financial guarantees, the EAD will consider the amount drawn, as well as potential future amounts that may be drawn or repaid under the contract.

Impairment of non-productive assets

Adjustments to the allowance for losses on non-productive assets are reported in the year that such adjustments become known or can be reasonably estimated. These adjustments include additional allowance for losses as well as recoveries of previously written-off non-productive assets.

Non-productive assets are written-off against the respective allowance for losses when management believes that the recoverability of those assets is unlikely.

Allowance for possible losses of earning assets and non-earning assets - Sharia banking product

The Sharia Business Unit has provided the allowance for possible losses on earning assets and non-earning assets based on management's review of the quality of these earning assets and non-earning assets at the end of each year, and management evaluation of every debtor's business prospect, financial performance and repayment ability. Moreover, the allowance also considers other things such as classification based on 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.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)

Penyisihan kerugian aset produktif dan aset non-produktif - produk perbankan Syariah (lanjutan)

Untuk tujuan evaluasi penurunan nilai kolektif atas piutang dan pembiayaan yang diberikan sebagaimana diwajibkan oleh Bank Indonesia sesuai dengan Surat Edaran Bank Indonesia No.15/26/DPbS tanggal 10 Juli 2013, PSAK 102 (revisi 2013) dan Surat Otoritas Jasa Keuangan (OJK) No.S-159/PB.13/2014 tertanggal 3 Desember 2014, perihal tanggapan atas usulan ASBISINDO, untuk penerapan pertama kali PSAK 102 (revisi 2013) dan PAPSI 2013. Bank menerapkan ketentuan transisi penurunan nilai secara kolektif dengan menggunakan estimasi yang didasarkan pada ketentuan Bank Indonesia yang berlaku Penilaian Kualitas Aktiva Bank Umum yang Melaksanakan Kegiatan Usaha Berdasarkan Prinsip Syariah.

Dalam evaluasi penurunan nilai terhadap piutang murabahah dilakukan secara periodik pada setiap tanggal laporan keuangan, untuk memastikan metodologi dan asumsi yang digunakan dapat diandalkan, serta meminimalkan perbedaan antara estimasi jumlah kerugian dengan jumlah kerugian aktual.

Penyisihan kerugian penurunan nilai secara individual dihitung dengan menggunakan metode diskonto arus kas (*discounted cash flows*). Piutang murabahah yang telah mengalami penurunan nilai dicatat berdasarkan jumlah yang didiskonto (*discounted value*) dan bukan berdasarkan nilai buku, karena tidak akan dapat diperoleh kembali seluruh jumlah piutang murabahah yang telah diberikan kepada debitur. Jumlah yang didiskonto (*discounted value*) diperoleh dengan mengestimasi arus kas masa datang (mencakup pembayaran pokok dan 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)*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Identification and measurement of impairment losses (continued)

Allowance for possible losses of earning assets and non-earning assets - Sharia banking product (continued)

For the purpose of evaluating the collective impairment on receivables and financing, as required by Bank Indonesia based on Circular Letter Bank Indonesia No.15/26/DPbS dated July 10, 2013, PSAK 102 (revised 2013) and Financial Services Authority's letter No.S-159/PB.13/2014 dated December 3, 2014, concerning the respond of ASBISINDO's proposal, in adopting of PSAK 102 (revised 2013) and PAPSI 2013. The Bank applies the transition rule for collective impairment with the calculation based on the applicable Bank Indonesia's regulation on the Quality Rating of assets of Commercial Bank which conduct Business Based on Sharia Principles.

The evaluation of impairment of murabahah receivables is done periodically on every financial statement date, to ensure methodology and assumptions are reliable, and to reduce difference between estimated losses amount and actual losses amount.

Allowance for impairment losses is calculated individually by using discounted cash flows method. Murabahah receivables that has been impaired is recognized based on amount that are discounted (*discounted value*) and not based on net book value, because the amount of murabahah receivables that had been given to debtors are unable to be fully recovered. The amount of discounted value is obtained by estimating the future cash flows (includes payment of principles and margin) that is discounted at effective margin.

Allowance for impairment losses on financial assets are collectively evaluated on the basis of historical loss experience. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions affecting the Bank and to remove the past effects of conditions in the historical period that no longer valid.

The Bank uses roll rate analysis method to assess the allowance for impairment losses. The Bank uses historical data in the 3 (three) years in calculating the Probability of Default (PD) and also using those 3 (three) years of historical data to compute for the Loss Given Default (LGD).

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

m. Identifikasi dan pengukuran kerugian penurunan nilai (lanjutan)

Penyisihan kerugian aset produktif dan aset non-produktif - produk perbankan Syariah (lanjutan)

Pengelompokan karakteristik risiko pembiayaan digolongkan berdasarkan Bank Wide pembiayaan murabahah dan dilakukan evaluasi (*loan review*) setiap 1 (satu) tahun sekali.

Dalam menentukan penyisihan kerugian (selain piutang murabahah) dan peringkat kualitas aset, Unit Usaha Syariah menerapkan PBI No.8/21/PBI/2006 tanggal 5 Oktober 2006 yang mana dalam pasal-pasal tertentu telah diubah dengan PBI No.9/9/2007 tanggal 18 November 2007 dan PBI No.10/24/PBI/2008 tanggal 16 Oktober 2008 serta PBI No.13/13/PBI/2011 tanggal 24 Maret 2011 tentang Penilaian Kualitas Aset Bank Umum yang melaksanakan Kegiatan Usaha Berdasarkan Prinsip Syariah dalam menentukan kerugian penurunan nilai.

Penyisihan kerugian minimum atas aset produktif adalah sebagai berikut:

Persentase minimum penyisihan kerugian/
Minimum percentage of allowance for impairment losses

Lancar *)	Minimum 1%	Current *)
Dalam perhatian khusus	Minimum 5%	Special mention
Kurang lancar	Minimum 15%	Sub-standard
Diragukan	Minimum 50%	Doubtful
Macet	100%	Loss

*) Di luar Fasilitas Simpanan Bank Indonesia Syariah, Sertifikat Bank Indonesia Syariah dan surat berharga yang diterbitkan Pemerintah berdasarkan prinsip syariah aset produktif dengan agunan tunai.

Penyisihan khusus terhadap kredit bermasalah dihitung berdasarkan kemampuan debitur dalam membayar utang. Penyisihan khusus dibentuk ketika timbul keraguan akan kemampuan debitur dalam membayar dan menurut pertimbangan manajemen, estimasi jumlah yang akan diperoleh kembali dari debitur berada di bawah jumlah pokok dan bunga kredit yang belum terbayar.

n. Biaya dibayar dimuka

Biaya dibayar dimuka diamortisasi selama masa manfaat masing-masing biaya dengan menggunakan metode garis lurus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Identification and measurement of impairment losses (continued)

Allowance for possible losses of earning assets and non-earning assets - Sharia banking product (continued)

The classification characteristics of risk loan is classified based on Bank Wide murabahah financing and is evaluated every 1 (one) year.

In determining the allowance for losses (except murabahah receivables) and asset quality rating, the Sharia Business Unit applies PBI No.8/21/PBI/2006 dated October 5, 2006 wherein certain articles have been amended by PBI No.9/9/2007 dated November 18, 2007 and PBI No.10/24/PBI/2008 dated October 16, 2008 and No.13/13/PBI/2011 dated March 24, 2011 regarding Asset Quality Rating for Commercial Banks Conducting Business Based on Sharia Principles for determination of impairment losses.

Minimum allowance for possible losses on earning assets is as follows:

*) Excluding Deposit Facilities of Bank Indonesia Sharia, Certificates of Bank Indonesia Sharia and marketable securities sharia and earning assets secured by cash collateral.

Specific provisions for non-performing loans were calculated based on the borrower's debt servicing capacity. Specific provisions were made as soon as the debt servicing of the loan is questionable and management considers that the estimated recovery from the borrower was likely to fall short from the amount of principal and interest outstanding.

n. Prepaid expenses

Prepaid expenses are amortized over the beneficial periods using the straight-line method.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

o. Aset tetap

Aset tetap, kecuali tanah, dicatat sebesar harga perolehan dikurangi akumulasi penyusutan. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam jumlah tercatat ("carrying amount") aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi dan penghasilan komprehensif lain pada saat terjadinya.

Aset tetap kecuali tanah disusutkan dengan menggunakan metode dan taksiran masa manfaat aset tetap sebagai berikut:

Jenis/ Classification	Metode/ Method
Bangunan/ Buildings	Garis lurus/ Straight-line
Kendaraan/ Vehicles	Saldo menurun ganda/ Double declining balance
Peralatan kantor/ Office equipment	Saldo menurun ganda/ Double declining balance

Peralatan kantor terdiri dari perabotan dan perlengkapan, instalasi, perangkat lunak dan perangkat keras komputer, peralatan komunikasi dan peralatan kantor lainnya.

Tanah awalnya dinyatakan berdasarkan harga perolehan dan tidak disusutkan. Setelah pengakuan awal, tanah diukur pada nilai wajar pada tanggal revaluasi dikurangi akumulasi rugi penurunan nilai setelah tanggal revaluasi. Penilaian terhadap tanah dilakukan oleh penilai yang memiliki kualifikasi profesional, dan dilakukan secara berkala untuk memastikan bahwa jumlah tercatat tanah tidak berbeda secara material dengan jumlah yang ditentukan dengan menggunakan nilai wajarnya pada akhir periode pelaporan (Catatan 13).

Kenaikan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain. Namun, kenaikan tersebut diakui dalam laba rugi hingga sebesar jumlah penurunan nilai aset yang sama akibat revaluasi yang pernah dilakukan sebelumnya dalam laba rugi. Penurunan nilai tercatat yang timbul dari revaluasi diakui dalam laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Fixed assets

Fixed assets, except land, are recorded at cost less accumulated depreciation. Such cost includes the cost of replacing part of fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statements of profit or loss and other comprehensive income as incurred.

Fixed assets, except land are depreciated using the methods and over their estimated useful lives of fixed assets as follows:

Taksiran masa manfaat/ Estimated useful lives Tahun/Years	Tarif penyusutan/ Depreciation rate
20	5%
4-8	25%-50%
4-8	25%-50%

Office equipment consists of furniture and fixtures, installation, computer software and hardware, communication and other office equipment.

Land initially stated at cost and is not depreciated. After initial recognition, land is measured at fair value on the date of the revaluation less any accumulated impairment losses after the date of revaluation. Assessment of the land is done by assessors who have professional qualifications, and are conducted regularly to ensure that the carrying amount of land does not differ materially from the amount determined using fair value at the end of the reporting period (Note 13).

The increase in the carrying amount arising from the revaluation is recorded as "Surplus Revaluation of Fixed Assets", and are presented in other comprehensive income. However, the increase is recognized in profit or loss up to the amount of impairment of the similar assets due to revaluation that was done before in profit or loss. The decrease in the carrying amount arising from the revaluation is recognized in profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

o. Aset tetap (lanjutan)

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat dari aset) dimasukkan dalam laporan laba rugi dan penghasilan komprehensif lain pada tahun aset tersebut dihentikan pengakuannya.

Aset tetap dievaluasi kemungkinan penurunan nilainya jika terjadi peristiwa atau perubahan keadaan yang mengindikasikan bahwa nilai tercatatnya tidak dapat seluruhnya dipulihkan.

Pada setiap akhir tahun buku, nilai residu, umur manfaat dan metode penyusutan direview, dan jika sesuai dengan keadaan, disesuaikan secara prospektif. Pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam jumlah tercatat (*carrying amount*) aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi pada saat terjadinya.

Aset dalam penyelesaian dinyatakan sebesar harga perolehan. Akumulasi biaya perolehan akan dipindahkan ke masing-masing aset tetap pada saat pekerjaan selesai dan aset tersebut siap untuk digunakan.

Semua biaya dan beban yang terjadi sehubungan dengan perolehan hak atas tanah, diakui sebagai biaya perolehan hak atas tanah. Biaya pengurusan legal hak atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan aset tanah. Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

Aset hak guna dan liabilitas sewa

PSAK 73 memperkenalkan model akuntansi penyewa tunggal dan mensyaratkan penyewa untuk mengakui aset dan liabilitas untuk semua sewa dengan pengecualian sewa jangka pendek dan aset dengan nilai rendah. Penyewa diharuskan untuk mengakui aset hak-guna yang mewakili haknya untuk menggunakan aset sewaan dan liabilitas sewa yang mewakili kewajibannya untuk melakukan pembayaran sewa. PSAK 73 secara substansial 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

o. Fixed assets (continued)

Carrying amount of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the year the asset is derecognized.

Fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

At each financial year end, the assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively as appropriate. When a significant inspection of the asset is performed, the cost of inspection is capitalized as part of the replacement cost of the asset's carrying amount, if the criteria for recognition are met. All maintenance and repair costs which do not fulfill the capitalization criteria, are recognized in profit or loss upon occurrence.

Construction-in-progress is stated at cost. The accumulated cost will be reclassified to the appropriate fixed asset account when the construction is completed and the asset is ready for its intended use.

All costs and expenses incurred in connection with the acquisition of land right, recognized as the acquisition cost of land right. The legal cost occurred when the land was first acquired is recognized as part of the acquisition cost of land right. Extension or renewal of the maintenance cost of legal rights over land recognized as an intangible asset and amortized over the life of legal rights or economic life of the land, whichever is shorter.

Right-of-use assets and lease liabilities

PSAK 73 introduces a single lessee accounting model and requires a lessee to recognise 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 recognise 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. PSAK 73 substantially carries forward the lessor accounting requirements in PSAK 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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

o. Aset tetap (lanjutan)

Dampak penerapan PSAK 73 adalah Bank dan sebagai penyewa atas kontrak sewa properti dan kendaraan. Bank telah memilih *simplified approach* dalam melakukan transisi dan tidak melakukan penyajian kembali untuk informasi komparatif. Dengan demikian, informasi komparatif tetap dilaporkan sesuai dengan PSAK 30, "Sewa".

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.

Bank lebih banyak bertindak sebagai *lessee*, dengan demikian:

- 1) 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.

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.

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.

- 2) 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

o. Fixed assets (continued)

The impact of PSAK 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. Therefore, the comparative information continues to be reported under PSAK 30, "Leases".

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.

The Bank is mostly acting as a lessee, therefore:

- 1) 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.

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.

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.

- 2) 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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

p. Sewa (lanjutan)

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 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Lease (continued)

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 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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
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r. Simpanan dari nasabah (lanjutan)

Simpanan nasabah diklasifikasikan sebagai liabilitas keuangan dan diukur pada biaya perolehan diamortisasi menggunakan suku bunga efektif, kecuali simpanan berdasarkan prinsip syariah yang dinyatakan sebesar liabilitas Bank kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan nasabah dikurangkan dari jumlah simpanan yang diterima.

Simpanan dari nasabah berdasarkan prinsip syariah terdiri dari:

- 1) Simpanan syariah berupa giro wadiah yad-adhamanah, yakni titipan dana dalam bentuk giro yang akan mendapatkan bonus sesuai dengan kebijakan Bank; dan
- 2) Investasi tidak terikat syariah, berupa:
 - a) Tabungan mudharabah mutlaqah, yaitu tabungan tidak terikat, dimana nasabah akan memperoleh bagi hasil (nisbah) atas penggunaan dana nasabah sesuai dengan kesepakatan bersama antara Bank dan nasabah; dan
 - b) Deposito mudharabah mutlaqah, yaitu deposito tidak terikat sebagai investasi berjangka, dimana nasabah akan memperoleh bagi hasil (nisbah) atas penggunaan dana nasabah sesuai dengan kesepakatan bersama antara Bank dan nasabah.

s. Simpanan dari bank lain

Simpanan dari bank lain terdiri dari liabilitas terhadap bank lain, baik dalam maupun luar negeri, dalam bentuk giro, tabungan, deposito berjangka, giro wadiah, tabungan mudharabah dan deposito berjangka mudharabah.

Simpanan dari bank lain diklasifikasikan sebagai liabilitas keuangan dan diukur pada biaya perolehan diamortisasi menggunakan suku bunga efektif, kecuali simpanan syariah yang dinyatakan sebesar nilai liabilitas Bank kepada nasabah. Biaya tambahan yang dapat diatribusikan secara langsung dengan perolehan simpanan dari bank lain dikurangkan dari jumlah simpanan yang diterima.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

r. Deposits from customers (continued)

Deposits from customers are classified as financial liabilities and measured at amortized cost using the effective interest rate except for deposits under sharia principles that are stated as the Bank's liability to the customers. Incremental costs that can be attributed directly to the acquisition of deposits from customers are deducted from total deposits received.

Deposits from customers under sharia principles as follows:

- 1) *Sharia deposits in the form of wadiah yad-adhamanah, a current account whereby the customers may receive bonus income in accordance with the Bank's policy; and*
- 2) *Sharia non-binding investments in the form of:*
 - a) *Mudharabah mutlaqah savings are non-binding saving investments on which the customers are entitled to receive a share of the Bank's Sharia Unit's income (nisbah) in return for the usage of the funds in accordance with the defined terms; and*
 - b) *Mudharabah mutlaqah deposits are non-binding investments in the form of time deposits on which the customers are entitled to receive a share of the Bank's Sharia Unit's income (nisbah) for the usage of the funds in accordance with the pre-defined terms.*

s. Deposits from other banks

Deposits from other banks represent liabilities to domestic and overseas banks, in the form of current accounts, savings, time deposits, wadiah current accounts, mudharabah savings and time deposits.

Deposits from other banks are classified as financial liabilities and measured at amortized cost using the effective interest rate except for sharia deposits which are stated at the Bank's liability amount to the customer. Incremental costs that can be attributed directly to the acquisition of deposits from other banks are deducted from the total deposits received.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

v. Pendapatan dan beban bunga (lanjutan)

Konvensional (lanjutan)

Pada saat menghitung suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian kredit di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi, dan bentuk lain yang diterima oleh para pihak dalam kontrak yang merupakan bagian yang tidak terpisahkan dari suku bunga efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

Jika aset keuangan atau kelompok aset keuangan serupa telah diturunkan nilainya sebagai akibat kerugian penurunan nilai, maka pendapatan bunga yang diperoleh setelahnya diakui berdasarkan suku bunga yang digunakan untuk mendiskonto arus kas masa datang dalam menghitung kerugian penurunan nilai.

Kredit yang pembayaran angsuran pokok atau bunganya telah lewat 90 hari atau lebih setelah jatuh tempo, atau kredit yang pembayarannya secara tepat waktu diragukan, secara umum diklasifikasikan sebagai kredit yang mengalami penurunan nilai.

Syariah

Pendapatan operasi utama terdiri dari pendapatan dari murabahah, pendapatan bagi hasil dari pembiayaan mudharabah dan musyarakah dan pendapatan lainnya.

Pendapatan atas piutang murabahah menggunakan metode setara tingkat imbal hasil efektif (*margin* efektif). Margin efektif adalah margin yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari piutang murabahah. Pada saat menghitung margin efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, tetapi tidak mempertimbangkan kerugian piutang di masa mendatang. Perhitungan ini mencakup seluruh komisi, provisi dan bentuk lain yang diterima oleh para pihak dalam kontrak yang merupakan bagian tak terpisahkan dari margin efektif, biaya transaksi, dan seluruh premi atau diskon lainnya.

Bagi hasil dari pembiayaan mudharabah dan musyarakah diakui pada saat angsuran diterima secara tunai (*cash basis*). Pendapatan operasi utama lainnya terdiri dari pendapatan dari penempatan pada bank syariah lain. Pendapatan operasi utama lainnya diakui pada saat diterima.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

v. Interest income and expenses (continued)

Conventional (continued)

When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument but not future credit losses. This calculation reflects all commissions, provisions, and other forms that accepted by the parties in the contract which are an integral part of the effective interest rate, transaction costs, and all other premiums and discounts.

If financial assets or similar financial asset groups have been impaired as a consequence of a loss on impairment, then the interest income subsequently received is recognized based on the interest rate used for discounting future cash flows in calculating the loss on impairment.

Loans where the principal or interest has been past due for 90 days or more, or where reasonable doubt exists as to the timely collection, are generally classified as impaired loans.

Sharia

The main operating income consists of income from murabahah transactions, income from profit sharing of mudharabah and musyarakah financing and others.

Income from murabahah receivables using the effective rate of return method (effective margin). Effective margin is the margin that precisely discounts the estimated future cash payments or receipts through the expected life of the murabahah receivables. When calculating the effective margin, Bank estimates the future cash flows considering all contractual terms of the financial instrument, but does not consider the loss of receivables in the future. This calculation includes all commissions, provision fees and other forms accepted by the parties in the contract that are an inseparable part of the effective margin, transaction costs and all other premiums or discounts.

Profit sharing from mudharabah and musyarakah financing is recognized upon collection (cash basis). Other main operating income consists of income derived from placements with other sharia banks. Other main operating income is recognized upon collection.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

v. Pendapatan dan beban bunga (lanjutan)

Syariah (lanjutan)

Margin dan bagi hasil diakui secara akrual, kecuali pendapatan margin dan bagi hasil atas kredit yang diberikan dan pembiayaan syariah dan aset produktif lainnya yang diklasifikasi sebagai non-performing, yang diakui pada saat pendapatan tersebut diterima. Pendapatan margin dan bagi hasil yang telah diakui tetapi belum tertagih dibatalkan pada saat kredit diklasifikasikan *non-performing*, dan selanjutnya dilaporkan sebagai tagihan kontinjensi dalam rekening administratif dan diakui sebagai pendapatan pada saat diterima tunai.

w. Pendapatan - provisi dan komisi

Pendapatan provisi dan komisi yang jumlahnya signifikan yang berkaitan langsung dengan kegiatan pinjaman, atau pendapatan provisi dan komisi yang berhubungan dengan jangka waktu tertentu, diamortisasi sesuai dengan jangka waktu kontrak menggunakan suku bunga efektif. Untuk pinjaman yang dilunasi sebelum jatuh temponya, saldo pendapatan provisi dan komisi ditangguhkan diakui pada saat pinjaman dilunasi. Pendapatan provisi dan komisi lainnya diakui pada saat terjadinya transaksi.

Pendapatan provisi dan komisi yang berkaitan dengan kredit diakui sebagai bagian dari pendapatan bunga. Untuk pembiayaan syariah, provisi dan komisi diakui selama jangka waktu akad dengan metode garis lurus.

Provisi dan komisi lainnya yang tidak berkaitan dengan kegiatan perkreditan dan atau jangka waktu perkreditan, atau jumlahnya tidak material diakui sebagai pendapatan atau beban pada saat terjadinya transaksi.

x. Pajak penghasilan badan

Perlakuan akuntansi atas pajak penghasilan sesuai dengan PSAK 46 (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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

v. Interest income and expenses (continued)

Sharia (continued)

Margin and profit sharing are recognized on an accrual basis, except for margin and profit sharing income on loans and sharia financing and other earning assets classified as non-performing, which is recognized only when such interest is received in cash. Margin and profit sharing income recognized or recorded but not yet received, is reversed when the loans are classified as non-performing, and the interest amounts are recorded as contingent receivables in the administrative accounts and such interest is recognized as income on a cash received basis.

w. Revenue - commissions and fees

Significant fees and commission income directly related to lending activities, or fees and commission income which relate to a specific period, are amortized over the term of the underlying contract using the effective interest rate. Unamortized fees and commission income relating to loans settled prior to maturity are recognized at the settlement date. Other fees and commission income are recognized at the transaction date.

Fees and commission income related to lending activities are recognized as part of interest income. For sharia financing, fees and commissions are recognized over the term of the contract with the straight-line method.

Other commissions and fees not related to lending activities or loan periods, or not material are recognized as revenues and expenses at the time the transactions occur.

x. Corporate income tax

Accounting treatment for income tax is accordance with PSAK 46 (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.

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(lanjutan)**

x. Pajak penghasilan badan (lanjutan)

Bank menerapkan metode liabilitas untuk menentukan pajak penghasilannya. Berdasarkan metode liabilitas, aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer pelaporan komersial dan pajak atas aset dan liabilitas pada setiap tanggal pelaporan. Metode ini mensyaratkan pengakuan manfaat pajak di masa mendatang, contoh: saldo rugi fiskal yang belum digunakan, sepanjang terdapat kemungkinan besar realisasi manfaat pajak tersebut.

Aset dan liabilitas pajak tangguhan diukur berdasarkan tarif pajak yang diharapkan akan berlaku pada tahun saat aset direalisasikan atau liabilitas diselesaikan berdasarkan tarif atau peraturan perpajakan yang berlaku atau yang secara substantif telah diberlakukan pada tanggal laporan posisi keuangan.

Penyesuaian atas liabilitas pajak dicatat saat surat ketetapan pajak diterima, atau jika Bank mengajukan keberatan, saat putusan banding telah diterbitkan.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal pelaporan dan nilai tercatat aset pajak tangguhan tersebut diturunkan apabila tidak lagi terdapat kemungkinan besar laba fiskal tersedia untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan.

y. Laba per saham

Laba per saham dasar dihitung dengan membagi laba tahun berjalan dengan jumlah rata-rata tertimbang saham yang beredar pada tahun yang bersangkutan.

z. Program imbalan kerja

Bank menerapkan PSAK 24 (revisi 2013), "Imbalan Kerja", efektif sejak 1 Januari 2015, menggantikan PSAK 24 (revisi 2010): "Imbalan Kerja". Dengan diterapkan PSAK 24 (revisi 2013), maka Bank menghentikan penggunaan pendekatan koridor dalam perhitungan keuntungan dan kerugian aktuarial di periode pelaporan pada penghasilan komprehensif lain.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

x. Corporate income tax (continued)

The Bank applies the liability method to determine its income tax expense. Under the liability method, deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. This method also requires the recognition of future tax benefits, such as the carryforward of unused tax losses, to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Adjustments to tax obligations are recorded when an assessment is received or, if appealed by the Bank, when the result of the appeal is determined.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the benefit of the deferred tax assets to be utilized.

y. Basic earnings per share

Basic earnings per share are computed by dividing income for the year by the weighted average number of shares outstanding during the year.

z. Employee benefit plan

The Bank implement PSAK 24 (revised 2013), "Employee benefit", effective January 1, 2015, change of PSAK 24 (revised 2010): "Employee Benefit". The applied PSAK 24 (revised 2013), Bank which eliminates corridor approach in calculation actuarial gain and loss in reporting period other comprehensive income.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

z. Program imbalan kerja (lanjutan)

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.

Biaya jasa lalu yang terjadi ketika pengenalan program imbalan pasti atau perubahan imbalan terutang pada program yang ada diamortisasi selama periode sampai dengan imbalan tersebut menjadi hak pekerja atau *vested*.

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek seperti upah, iuran jaminan sosial, cuti jangka pendek, bonus dan imbalan non-moneter lainnya diakui selama periode jasa diberikan. Imbalan kerja jangka pendek diukur sebesar jumlah yang tidak didiskontokan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Employee benefit plan (continued)

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 10% of the fair value of plan assets at that date. Such actuarial gains or losses are recognized as income or expense on a straight-line basis over the expected average remaining working lives of the employees.

Past-service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Short-term employee benefits

Short-term employee benefits such as wages, social security contributions, short-term compensated leaves, bonuses and other non-monetary benefits are recognized during the period when services have been rendered. Short-term employee benefits are measured using undiscounted amounts.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

z. Program imbalan kerja (lanjutan)

z. Employee benefit plan (continued)

Program pensiun manfaat pasti

Defined benefit pension plan

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 November 2017. Bank menyelenggarakan program pensiun manfaat pasti untuk pegawai yang telah terdaftar di Dana Pensiun PT Bank Pembangunan Daerah Jawa Timur Tbk serta telah diangkat menjadi pegawai tetap sampai dengan tanggal 24 Agustus 2012. Kontribusi pegawai sebesar 5% dari penghasilan dasar pensiun pekerja dan atas sisa jumlah yang perlu didanakan kepada Dana Pensiun merupakan kontribusi Bank.

In 2019, the Bank has modified the Pension Fund Policy in accordance with the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk as the founder of Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.058/050.2/DIR/HPC/KEP dated on March 12, 2019. The Pension Fund Policy was approved by the decree of

Indonesia Financial Services Authority No.KEP-24/NB.1/2019 dated on June 14, 2019. The Policy superseded the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk as the founder of Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.056/096/KEP/DIR/SK dated on May 22, 2017, as approved by the decree of Indonesia Financial Services Authority No.KEP-56/NB.1/2017 dated November 8, 2017. The Policy applies to all employees who are registered in Financial Institutions Fund Pension of PT Bank Pembangunan Daerah Jawa Timur Tbk and has been appointed as permanent employee of the Bank before and on August 24, 2012. The contribution paid by the employees is 5% of employees' basic pension salaries and the remaining amount is paid by the Bank.

Program pensiun iuran pasti

Defined contribution pension plan

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.

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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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

z. Program imbalan kerja (lanjutan)

Program asuransi tunjangan hari tua

- 1) Keputusan Direksi No.KEP.079/BPD/83 tanggal 11 November 1983 dan perubahannya No.KEP.006/BPD/85 tanggal 29 Januari 1985, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 3 November 1993 dengan Asuransi Jiwa Bersama Bumiputera 1912, tentang Pengelolaan Program Asuransi Dwiguna Standar US\$. Berdasarkan program ini, pada saat mulai memasuki masa pensiun, selain tunjangan pensiun, karyawan juga akan memperoleh tunjangan hari tua yang besarnya bervariasi sesuai dengan jabatan terakhir dari karyawan.

Keputusan Direksi No.046/042.1/KEP/DIR/SDM tanggal 3 Maret 2008, telah diamendemen dengan Keputusan Direksi No.048/068.1/KEP/DIR/SDM tertanggal 3 Mei 2010 yang menyatakan besarnya tunjangan hari tua ditentukan sesuai dengan jabatan dengan besaran dasar uang asuransi antara Rp22,5 sampai dengan Rp200. Premi asuransi masing-masing peserta dibayar dimuka oleh Bank dan diamortisasi selama sisa masa kerja karyawan.

Sesuai dengan Keputusan Direksi No.050/020/ADD/SP/DIR/SDM tanggal 30 Maret 2012 terkait addendum atas perjanjian kerjasama pengelolaan program asuransi tunjangan hari tua dengan Asuransi Jiwasraya bahwa disepakati adanya kenaikan uang asuransi dan premi.

- 2) Sesuai dengan persetujuan Dewan Komisaris No.040/090/DK/BPD/02 tanggal 30 Desember 2002, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 31 Desember 2002 dengan PT Asuransi Jiwasraya (Persero) tentang Pengelolaan Program Asuransi Tunjangan Hari Tua.

Berdasarkan program ini, pada saat mulai memasuki masa pensiun, selain tunjangan pensiun, karyawan juga akan memperoleh tunjangan hari tua yang besarnya disesuaikan dengan masa kerja dan jumlah gaji terakhir. Premi asuransi masing-masing peserta dibayar di muka oleh Bank dan diamortisasi selama sisa masa kerja karyawan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

z. Employee benefit plan (continued)

Mutual aid pension insurance plan

- 1) Directors' decision No.KEP.079/BPD/83 dated November 11, 1983 and its amendment No.KEP.006/BPD/85 dated January 29, 1985, the Bank provides mutual aid pensions (tunjangan hari tua) in the form of a Mutual Aid Pension Insurance Plan (Program Asuransi Tunjangan Hari Tua) for all employees through a cooperation agreement dated November 3, 1993 with Asuransi Jiwa Bersama Bumiputera 1912 for insurance under a program Asuransi Dwiguna Standar US\$. Based on this program, at the commencement of the pension period, in addition to pension allowances, each employee will also receive a mutual aid pension (tunjangan hari tua) based on the employee's latest position.

Directors' decision No.046/042.1/KEP/DIR/SDM dated March 3, 2008 has been amended with Director's decision No.048/068.1/KEP/DIR/SDM dated May 3, 2010, which stated that the pension allowance was determined based on the employees position with a basic insurance value ranging from Rp22.5 to Rp200. The insurance premiums for employees are paid in advance by the Bank and are amortized over the remaining years of service of employees.

Pursuant with Director's decision No.050/020/ADD/SP/DIR/SDM dated March 30, 2012 about added for agreement for management insurance program pension with Insurance Jiwasraya (Corporate) was acceptable increase premiums insurance.

- 2) Pursuant to the Board of Commissioners' decision No.040/090/DK/BPD/02 dated December 30, 2002, the Bank also provides mutual aid pensions (tunjangan hari tua), through management of a Mutual Aid Pension Insurance Plan (Program Asuransi Tunjangan Hari Tua) for all employees under a cooperation agreement, dated December 31, 2002 with PT Asuransi Jiwasraya (Persero) regarding Management of a Mutual Aid Pension Insurance Plan.

Based on this plan, at the commencement of the pension period, in addition to a pension allowance, employees will also receive mutual aid pensions (tunjangan hari tua) equal to the number of years of service multiplied by the employee's latest monthly salary. The insurance premiums for employees are paid in advance by the Bank and are amortized over the remaining years of service of employees.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

z. Program imbalan kerja (lanjutan)

Program imbalan pasca kerja lainnya dan jangka panjang lainnya

Bank juga memberikan imbalan pasca kerja dan jangka panjang lainnya, meliputi uang duka bagi pegawai yang meninggal dunia dan penghargaan masa kerja.

Liabilitas dan pendanaan penghargaan masa kerja dan uang duka dihitung aktuaris independen dengan metode *projected unit credit*.

Jasa produksi

Bank juga memberikan jasa produksi tahunan kepada para Komisaris, Direksi dan karyawan dan untuk setiap tahun buku dicadangkan dan diakui sebagai beban pada tahun berjalan yang jumlahnya ditetapkan berdasarkan jumlah jasa produksi yang disetujui dalam RUPS tahun-tahun sebelumnya dan kemudian diusulkan untuk disetujui/disahkan dalam RUPS yang akan datang. Jika terdapat selisih antara jumlah jasa produksi yang dicadangkan dengan jumlah yang disahkan oleh RUPS, maka selisih tersebut dibebankan/dikreditkan pada laporan laba rugi dan penghasilan komprehensif lain sebagai penambah atau pengurang cadangan jasa produksi.

Program penghargaan akhir masa jabatan Dewan Komisaris dan Direksi

Bank memberikan penghargaan akhir masa jabatan untuk Komisaris dan Direksi melalui program asuransi yang jumlahnya dihitung secara proporsional sesuai dengan masa jabatannya berdasarkan Surat Keputusan Dewan Komisaris dan Direksi No.046/04/SK/DK/BPD/2008, tanggal 30 April 2008 yang mengacu pada Akta Rapat Umum Pemegang Saham No.55, tanggal 17 April 2008 yang dibuat oleh Notaris Untung Darnosoewirjo, S.H., di Surabaya, akta RUPS No.28 tanggal 19 Mei 2009 yang dibuat oleh Notaris Untung Darnosoewirjo, S.H., di Surabaya dan RUPS No.26 tanggal 14 April 2010 yang dibuat oleh Notaris Wachid Hasyim, S.H., di Surabaya.

Premi yang dibayar dibebankan pada laporan laba rugi dan penghasilan komprehensif lain selama masa jabatannya secara proporsional.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Employee benefit plan (continued)

Other post employee benefits program and long-term employee benefits program

The Bank also provides post benefits program and long term benefit plan that includes death benefits to employees who has passed away and gratuity.

Liabilities and employees gratuity funding is calculated by an independent actuary in projected unit credit method.

Bonuses

The Bank also provides annual bonuses for Commissioners, Directors and employees. These costs are recognized as current year's expenses and the amount is determined based on the bonuses authorized during Shareholders' General Meetings (RUPS) in the prior year. Such bonuses are subsequently proposed for approval by the Shareholders in the following Shareholders' General Meeting (RUPS). Any difference between the amount accrued and the amount approved by the RUPS is charged/credited to statement of profit or loss and other comprehensive income as an addition to or deduction of the provision for bonuses.

End of service awards program for the Boards of Commissioners and Directors

The Bank provides end of service awards program for Commissioners and Directors through an insurance program, which amount is calculated proportionally during the period of service in accordance with a Decision Letter of the Bank's Boards of Commissioners and Directors No.046/04/SK/DK/BPD/2008, dated April 30, 2008 referred to the Minutes of Shareholders' Meeting No. 55, dated April 17, 2008 prepared by Untung Darnosoewirjo, S.H., public notary in Surabaya, Minutes of Shareholders' Meeting No.28, dated May 19, 2009 prepared by Untung Darnosoewirjo, S.H., public notary in Surabaya, and Minutes of Shareholders' Meeting No.26, dated April 14, 2010 prepared by Wachid Hasyim, S.H., public notary in Surabaya.

Premiums paid are charged proportionally to statement of profit or loss and other comprehensive income over the service period.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

aa. Biaya emisi saham

Biaya-biaya yang terjadi sehubungan dengan penawaran saham kepada masyarakat (termasuk penerbitan hak Memesan Efek Terlebih Dahulu) dikurangkan langsung dari hasil emisi dan disajikan sebagai pengurang pada akun "Tambahkan Modal Disetor - Neto" sebagai bagian dari ekuitas pada laporan posisi keuangan.

ab. Dividen

Pembagian dividen kepada para pemegang saham Bank diakui sebagai sebuah liabilitas dalam laporan keuangan Bank pada tahun ketika dividen tersebut disetujui oleh para pemegang saham Bank.

ac. Provisi

Provisi diakui jika Bank memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu, besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi dibatalkan.

ad. Liabilitas dan aset kontinjensi

Liabilitas kontinjensi tidak diakui dalam laporan keuangan tetapi diungkapkan kecuali jika kemungkinan terjadi kecil. Aset kontinjensi tidak diakui namun diungkapkan dalam laporan keuangan ketika adanya kemungkinan untuk mendapatkan manfaat ekonomi.

ae. Informasi segmen

Bank menentukan dan menyajikan segmen operasi berdasarkan informasi yang secara internal diberikan oleh bagian akuntansi kepada pengambil keputusan operasional.

Bank mengidentifikasi segmen operasi sebagai suatu komponen dari entitas:

- 1) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

aa. Shares issuance costs

The cost related to the public offering of shares (including pre-emptive rights issue) are deducted from the proceeds and presented as a deduction from the "Other Paid-In Capital - Net" account, under Equity section in the statements of financial position.

ab. Dividend

Dividend distribution to the Bank's Shareholders is recognized as a liability in the Bank financial statements in the year in which the dividends are approved by the Bank's shareholders.

ac. Provisions

Provisions are recognized when the Bank has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

ad. Contingent liabilities and assets

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statement when an inflow of economic benefits are probable.

ae. Segment information

The Bank determines and presents operating segments based on the information that is internally provided by accounting department to the operating decision maker.

The Bank defines an operating segment as a component of an entity:

- 1) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

ae. Informasi segmen (lanjutan)

Bank mengidentifikasi segmen operasi sebagai suatu komponen dari entitas (lanjutan):

- 2) hasil operasinya dikaji ulang secara reguler oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- 3) tersedia informasi keuangan yang dapat dipisahkan.

Bank mengungkapkan segmen operasionalnya berdasarkan segmen usaha yang meliputi perbankan konvensional dan syariah.

Segmen geografis meliputi penyediaan jasa di dalam lingkungan ekonomi tertentu yang memiliki risiko serta tingkat pengembalian yang berbeda dengan segmen operasi lainnya yang berada dalam lingkungan ekonomi lain. Segmen geografis Bank adalah Jawa Timur dan selain Jawa Timur.

af. Peristiwa setelah periode pelaporan

Setiap peristiwa setelah akhir tahun yang menyebabkan tambahan informasi mengenai posisi keuangan Bank (*adjusting event*) akan disesuaikan dalam laporan keuangan. Peristiwa setelah akhir tahun yang bukan merupakan *adjusting events*, jika ada, akan diungkapkan ketika memiliki dampak material terhadap laporan keuangan.

ag. Penggunaan estimasi dan pertimbangan akuntansi signifikan

Penyusunan laporan keuangan Bank mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan atas liabilitas kontinjensi, pada akhir periode pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat aset dan liabilitas dalam periode pelaporan berikutnya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

ae. Segment information (continued)

The Bank defines an operating segment as a component of an entity (continued):

- 2) *whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and*
- 3) *for which discrete financial information is available.*

Bank discloses its operating segments based on business segments that consist of banking conventional and sharia.

A geographical segment is engaged in providing services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Bank's geographical segments are East Java and other than East Java.

af. Subsequent event

Any post-year-end event that provides additional information about the Bank's financial position (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

ag. Use of significant accounting estimates and judgments

The preparation of the Bank's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

ag. Penggunaan estimasi dan pertimbangan akuntansi signifikan (lanjutan)

Pertimbangan

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Bank yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan:

Kelangsungan usaha

Manajemen Bank telah melakukan penilaian atas kemampuan Bank untuk mempertahankan kelangsungan usahanya dan berkeyakinan bahwa Bank memiliki sumber daya untuk mempertahankan usahanya di masa mendatang. Selain itu, manajemen tidak mengetahui adanya ketidakpastian material yang dapat menimbulkan keraguan yang signifikan terhadap kemampuan Bank untuk mempertahankan usahanya. Oleh karena itu, laporan keuangan telah disusun atas dasar usaha yang berkelanjutan.

Klasifikasi aset dan liabilitas keuangan

Bank menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan apakah definisi yang ditetapkan PSAK 71 dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Bank seperti diungkapkan pada (Catatan 2d).

Nilai wajar instrumen keuangan

Semua aset dan liabilitas dimana nilai wajar diukur atau diungkapkan dalam laporan keuangan dapat dikategorikan pada level hierarki nilai wajar, berdasarkan tingkatan input terendah yang signifikan atas pengukuran nilai wajar secara keseluruhan:

- Level 1: harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran.
- Level 2: input selain harga kuotasian yang termasuk dalam level 1 yang dapat diobservasi untuk aset dan liabilitas, baik secara langsung atau tidak langsung.
- Level 3: input yang tidak dapat diobservasi untuk aset dan liabilitas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Use of significant accounting estimates and judgments (continued)

Judgments

The following judgments are made by management in the process of applying the Bank's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Going concern

The Bank's management has assessed the Bank's ability to continue as a going concern and believes that the Bank has the resources to continue its business in the future. In addition to that, management is not aware of any material uncertainty that may cast significant doubt to the Bank's ability to continue as a going concern. Therefore, the financial statements have been prepared on going concern basis.

Classification of financial assets and liabilities

The Bank determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 71. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Bank's accounting policies disclosed in (Note 2d).

Fair value of financial instruments

All assets and liabilities in which fair value is measured or disclosed in the financial statements can be classified in fair value hierarchy levels, based on the lowest level of input that is significant on the overall fair value measurement:

- Level 1: quoted price (without adjustments) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets and liabilities, either directly or indirectly.
- Level 3: unobservable inputs for the asset and liability.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

ag. Penggunaan estimasi dan pertimbangan akuntansi signifikan (lanjutan)

Pertimbangan (lanjutan)

Klasifikasi investasi pada biaya perolehan diamortisasi

Surat berharga dengan klasifikasi pada biaya perolehan diamortisasi membutuhkan judgment yang signifikan. Dalam membuat *judgment* ini, Bank mengevaluasi model bisnis dan persyaratan kontraktual dari aset keuangan yang pada tanggal tertentu meningkatkan arus kas yang semata dari pembayaran pokok dan bunga.

Aset keuangan yang tidak memiliki harga pasar

Bank mengklasifikasikan aset keuangan dengan mengevaluasi, antara lain, apakah aset tersebut dikuotasi atau tidak di pasar aktif. Termasuk dalam evaluasi adalah apakah aset keuangan yang dikuotasi di pasar aktif tersebut ditentukan berdasarkan apakah harga kuotasi tersedia secara rutin, dan apakah harga tersebut mencerminkan harga aktual yang secara teratur terjadi transaksi pasar secara wajar.

Kontinjensi

Bank saat ini terlibat dalam beberapa kasus hukum. Estimasi atas biaya yang mungkin terjadi atas penyelesaian tuntutan-tuntutan tersebut sudah dikonsultasikan dengan penasihat dari luar yang menangani pembelaan Bank dalam hal-hal tersebut dan berdasarkan analisa dari hasil yang mungkin terjadi. Bank saat ini tidak yakin kalau kasus-kasus ini akan memiliki efek kerugian yang material pada laporan keuangan. Bagaimanapun, ada kemungkinan dari hasil-hasil operasi di masa akan datang akan terpengaruh secara material oleh perubahan dari perkiraan-perkiraan atau dalam keefektifan dari strategi yang berhubungan dengan kasus-kasus tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Use of significant accounting estimates and judgments (continued)

Judgments (continued)

Classification to amortized cost investments

The classification under amortized cost securities requires significant judgment. In making this judgment, the Bank evaluates its business model and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

Financial assets not quoted in an active market

The Bank classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regular occurring market transactions on an arm's length basis.

Contingencies

Bank is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Bank's defense on these matters and is based upon an analysis of the potential results. The Bank currently does not believe that these proceedings will have a material adverse effect on the financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to the proceedings.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

ag. Penggunaan estimasi dan pertimbangan akuntansi signifikan (lanjutan)

Pertimbangan (lanjutan)

Penilaian mata uang fungsional

Manajemen telah melakukan pertimbangan untuk menentukan mata uang fungsional yang paling mewakili dampak ekonomi dari suatu transaksi, kejadian dan kondisi-kondisi yang relevan terhadap entitas. Dalam membuat pertimbangan tersebut, Bank telah mempertimbangkan hal-hal sebagai berikut:

- 1) mata uang yang mempengaruhi harga jual atas instrumen keuangan dan jasa-jasa lainnya (biasanya dari mata uang atas harga jual instrumen keuangan dan jasa-jasa yang telah diselesaikan);
- 2) mata uang atas dana yang dihasilkan dari aktivitas pendanaan; dan
- 3) mata uang atas yang biasa diterima dari aktivitas operasi.

Sewa operasi

Bank, sebagai *lessee*, telah mengadakan perjanjian sewa untuk bangunan yang digunakannya untuk operasi. Bank telah menentukan bahwa semua risiko dan manfaat signifikan dari kepemilikan properti yang disewa dalam sewa operasi tersebut tidak dapat dialihkan kepada Bank.

Estimasi dan asumsi

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan yang dapat menimbulkan penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun keuangan berikutnya, diungkapkan di bawah ini. Bank mendasarkan asumsi dan estimasinya pada parameter yang tersedia pada saat laporan keuangan disusun. Situasi yang ada dan asumsi perkembangan masa depan, dapat berubah akibat perubahan pasar atau situasi yang berada di luar kendali Bank. Perubahan-perubahan tersebut dicerminkan di dalam asumsi-asumsi terkait pada saat terjadinya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Use of significant accounting estimates and judgments (continued)

Judgments (continued)

Assessment of functional currency

The management has considered to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the Bank has considered the following:

- 1) the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which sales prices for its financial instruments and services are denominated and settled);
- 2) the currency in which funds from financing activities are generated; and
- 3) the currency in which funds from operating are usually retained.

Operating leases

The Bank, as a lessee, has entered into lease on premises used for its operations. The Bank has determined that all significant risk and rewards of ownership of the properties it leases on operating lease are not transferrable to the Bank.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, may change due to market changes or circumstances arising beyond the control of the Bank. Such changes are reflected in the assumptions as they occur.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

ag. Penggunaan estimasi dan pertimbangan akuntansi signifikan (lanjutan)

Estimasi dan asumsi (lanjutan)

Aset pajak tangguhan

Aset pajak tangguhan diakui atas jumlah pajak penghasilan terpulihkan (*recoverable*) pada periode mendatang sebagai akibat perbedaan temporer yang boleh dikurangkan. Justifikasi manajemen diperlukan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, sesuai dengan waktu yang tepat dan tingkat laba fiskal di masa mendatang sejalan dengan strategi rencana perpajakan ke depan (Catatan 19g).

Pensiun

Program-program pensiun ditentukan berdasarkan perhitungan aktuaria. Perhitungan aktuaria menggunakan asumsi-asumsi seperti tingkat diskonto, tingkat pengembalian investasi, tingkat kenaikan gaji, tingkat kematian, tingkat pengunduran diri dan lain-lain (Catatan 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):

- 1) Kinerja di bawah rata-rata yang signifikan yang relatif terhadap hasil historis atau proyeksi hasil operasi yang diharapkan; di masa yang akan datang;
- 2) Perubahan yang signifikan dari cara penggunaan aset yang diperoleh atau strategi untuk bisnis secara keseluruhan; dan
- 3) Tren negatif industri dan ekonomi yang signifikan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Use of significant accounting estimates and judgments (continued)

Estimates and assumptions (continued)

Deferred tax assets

Deferred tax assets are recognized for the future recoverable taxable income arising from temporary difference. Management's judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing on level of future taxable profits together with future tax planning strategies (Note 19g).

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):

- 1) Significant underperformance relative to expected historical or projected future operating results;
- 2) Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- 3) Significant negative industry or economic trends.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

ag. Penggunaan estimasi dan pertimbangan akuntansi signifikan (lanjutan)

Estimasi dan asumsi (lanjutan)

Pengukuran penyisihan kerugian kredit ekspektasian (ECL)

Pengukuran penyisihan kerugian kredit ekspektasian untuk aset keuangan yang diukur dengan biaya perolehan diamortisasi dan FVOCI adalah area yang memerlukan penggunaan model yang kompleks dan asumsi signifikan tentang kondisi ekonomi dan perilaku kredit di masa depan (misalnya kemungkinan pelanggan gagal bayar dan kerugian yang timbul). Penjelasan tentang input, asumsi dan teknik estimasi yang digunakan dalam mengukur ECL dirinci lebih lanjut di (Catatan 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 10).

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 13).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ag. Use of significant accounting estimates and judgments (continued)

Estimates and assumptions (continued)

Measurement of expected credit loss (ECL) allowance

The measurement of the expected credit loss allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in (Note 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 10).

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 13).

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3. KAS

	2021	
	Jumlah nasional mata uang asing/ <i>National amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekivalen Rupiah/ <i>Rupiah equivalent</i>
Rupiah		1.986.107
Mata uang asing		
Dolar Amerika Serikat	1.244.946	17.743
Riyal Saudi Arabia	2.248.193	8.534
Ringgit Malaysia	1.022.096	3.493
Dolar Singapura	260.809	2.753
Euro	124.875	2.012
Dolar Australia	72.685	752
Poundsterling Inggris Raya	32.285	622
Yen Jepang	3.526.000	436
Dolar Hong Kong	200.150	366
Yuan China Renminbi	115.908	259
Jumlah mata uang asing		36.970
Jumlah kas		2.023.077

Kas dalam Rupiah pada tanggal 31 Desember 2021 dan 2020, masing-masing termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) dan *Cash Recycle Machine* (CRM) sejumlah Rp357.687 dan Rp393.901.

4. GIRO PADA BANK INDONESIA

	2021	
	Jumlah nasional mata uang asing/ <i>National amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekivalen Rupiah/ <i>Rupiah equivalent</i>
Rupiah		8.796.748
Dolar Amerika Serikat	600.000	8.552
Jumlah		8.805.300

Dalam giro pada Bank Indonesia termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp129.529 dan Rp66.950 masing-masing pada tanggal 31 Desember 2021 dan 2020.

3. CASH

	2020		
	Jumlah nasional mata uang asing/ <i>National amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekivalen Rupiah/ <i>Rupiah equivalent</i>	Rupiah
		2.460.657	
Mata uang asing			<i>Foreign currencies</i>
Dolar Amerika Serikat	1.438.382	20.209	<i>United States Dollar</i>
Riyal Saudi Arabia	2.212.940	8.287	<i>Saudi Arabian Riyal</i>
Ringgit Malaysia	2.932.162	10.207	<i>Malaysian Ringgit</i>
Dolar Singapura	696.305	7.385	<i>Singapore Dollar</i>
Euro	91.382	1.575	<i>Euro</i>
Dolar Australia	61.818	665	<i>Australian Dollar</i>
Poundsterling Inggris Raya	24.361	463	<i>Great Britain Poundsterling</i>
Yen Jepang	11.065.559	1.505	<i>Japanese Yen</i>
Dolar Hong Kong	168.918	306	<i>Hong Kong Dollar</i>
Yuan China Renminbi	134.395	289	<i>Chinese Yuan Renminbi</i>
Jumlah mata uang asing		50.891	<i>Total foreign currencies</i>
Jumlah kas		2.511.548	<i>Total cash</i>

Cash in Rupiah as of December 31, 2021 and, 2020, includes funds at Automatic Teller Machines (ATM) and *Cash Recycle Machine* (CRM) amounting to Rp357,687 and Rp393,901, respectively.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

	2020		
	Jumlah nasional mata uang asing/ <i>National amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekivalen Rupiah/ <i>Rupiah equivalent</i>	Rupiah
		3.651.538	
Dolar Amerika Serikat	600.000	8.430	<i>United States Dollar</i>
Jumlah		3.659.968	<i>Total</i>

Current accounts with Bank Indonesia include current accounts based on *sharia* banking principles amounting to Rp129,529 and Rp66,950 as of December 31, 2021 and 2020, respectively.

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4. GIRO PADA BANK INDONESIA (lanjutan)

Rasio (GWM) Bank adalah sebagai berikut:

	<u>2021</u>
<u>Konvensional</u>	
Rupiah	
GWM Primer	
Harian	5,73%
Rata-rata	3,11%
Penyangga Likuiditas Makroprudensial (PLM)	35,07%
Mata uang asing	7,36%
<u>Syariah</u>	
Rupiah	5,96%

Rasio GWM pada tanggal 31 Desember 2021 dan 2020 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 2016, 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 2021 dan 2020, 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".

4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

The (statutory reserve) of the Bank was as follows:

	<u>2021</u>	<u>2020</u>	
<u>Konvensional</u>			<u>Conventional</u>
Rupiah			Rupiah
GWM Primer			Primary Statutory Reserve
Harian	5,73%	0,00%	Daily
Rata-rata	3,11%	3,23%	Average
Penyangga Likuiditas Makroprudensial (PLM)	35,07%	31,00%	Macroprudential Liquidity Buffer
Mata uang asing	7,36%	8,22%	Foreign currencies
<u>Syariah</u>			<u>Sharia</u>
Rupiah	5,96%	4,82%	Rupiah

The calculation of the statutory reserve ratio as of December 31, 2021 and 2020 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 No.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 29, 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, 2021 and 2020, 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".

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4. GIRO PADA BANK INDONESIA (lanjutan)

Pada tanggal 31 Desember 2021 dan 2020, sesuai dengan ketentuan Bank Indonesia tersebut di atas, Bank harus memenuhi persyaratan GWM utama dalam Rupiah masing-masing sebesar 3,5%, sedangkan untuk mata uang asing masing-masing sebesar 2%. Untuk Penyangga Likuiditas Makroprudensial (PLM) adalah sebesar 6% dalam Rupiah pada tanggal 31 Desember 2021 dan 2020.

Pada tanggal 31 Desember 2021 dan 2020, sesuai dengan ketentuan Bank Indonesia tersebut berdasarkan prinsip syariah, Bank harus memenuhi persyaratan GWM dalam Rupiah masing-masing sebesar 3,5%. Untuk mata uang asing masing-masing sebesar 1,00%.

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 (KPM) Bank lebih kecil dari KPM Insentif BI sebesar 14%.

Bank telah memenuhi ketentuan Bank Indonesia tentang Giro Wajib Minimum pada tanggal 31 Desember 2021 dan 2020.

Sisa umur jatuh tempo atas giro pada Bank Indonesia dikategorikan sebagai kurang dari 1 (satu) bulan (Catatan 41).

4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

As of December 31, 2021 and 2020, based on the above Bank Indonesia regulations, The Bank is required to maintain primary statutory reserve in Rupiah amounting to 3.5%, respectively, while statutory reserve for foreign currency amounting to 2%, respectively. Macroprudential Liquidity Buffer (PLM) amounting to 6% in Rupiah as of December 31, 2021 and 2020.

As of December 31, 2021 and 2020, based on the Bank Indonesia regulations, for sharia principle, the Bank is required to maintain statutory reserve in Rupiah 3.5%. For foreign currencies of 1.00%, respectively.

Primary Statutory Reserve is a minimum reserve that should be maintained by the Bank and in Current Accounts with Bank Indonesia. Statutory Reserve and Macroprudential Liquidity Buffer (PLM) 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 Statutory Reserve, 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, 2021 and 2020.

The remaining period of current amount with Bank Indonesia is categorized as less than 1 (one) month (Note 41).

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5. GIRO PADA BANK LAIN

a. Berdasarkan bank

	<u>2021</u>	<u>2020</u>
Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	81.264	28.831
PT Bank Central Asia Tbk	65.787	130.084
PT Bank Mandiri (Persero) Tbk	1.659	1.628
PT Bank Negara Indonesia (Persero) Tbk	112	111
	<u>148.822</u>	<u>160.654</u>
Mata uang asing		
PT Bank Negara Indonesia (Persero) Tbk	36.323	47.668
PT Bank Central Asia Tbk	13.341	13.792
PT Bank Mandiri (Persero) Tbk	6.348	2.920
PT Bank Rakyat Indonesia (Persero) Tbk	5.129	11.223
DBS Singapore Ltd	1.215	1.047
PT Bank ICBC Indonesia	503	411
	<u>62.859</u>	<u>77.061</u>
Jumlah	211.681	237.715
Cadangan kerugian penurunan nilai	<u>(238)</u>	<u>(53)</u>
Neto	<u><u>211.443</u></u>	<u><u>237.662</u></u>

Pada tanggal 31 Desember 2021 dan 2020, tidak ada giro pada bank lain yang didasarkan pada prinsip perbankan syariah.

b. Berdasarkan mata uang

	<u>2021</u>		<u>2020</u>		
	Jumlah nosional mata uang asing/ <i>Notional amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>	Jumlah nosional mata uang asing/ <i>Notional amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>	
Rupiah		148.822		160.654	Rupiah
Mata uang asing					Foreign currencies
Dolar Amerika Serikat	4.002.601	57.046	5.147.801	72.327	United States Dollar
Poundsterling Inggris Raya	72.028	1.387	49.024	932	Great Britain Poundsterling
Dolar Singapura	114.991	1.214	98.769	1.047	Singapore Dollar
Dolar Australia	99.552	1.030	56.575	608	Australian Dollar
Euro	59.367	957	68.276	1.177	Euro
Yuan China Renminbi	224.993	503	191.270	411	Chinese Yuan Renminbi
Dolar Hong Kong	208.273	381	208.307	377	Hong Kong Dollar
Yen Jepang	2.753.527	341	1.335.930	182	Japanese Yen
Jumlah mata uang asing		<u>62.859</u>		<u>77.061</u>	Total foreign currencies
		211.681		237.715	
Cadangan kerugian penurunan nilai		<u>(238)</u>		<u>(53)</u>	Allowance for impairment losses
Neto		<u><u>211.443</u></u>		<u><u>237.662</u></u>	Net

c. Tingkat suku bunga per tahun

	<u>2021</u>	<u>2020</u>
Rupiah	0,03%	0,06%
Mata uang asing	0,02%	0,02%

5. CURRENT ACCOUNTS WITH OTHER BANKS

a. By bank

	<u>2021</u>	<u>2020</u>	
Rupiah			Rupiah
PT Bank Rakyat Indonesia (Persero) Tbk	81.264	28.831	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Central Asia Tbk	65.787	130.084	PT Bank Central Asia Tbk
PT Bank Mandiri (Persero) Tbk	1.659	1.628	PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	112	111	PT Bank Negara Indonesia (Persero) Tbk
	<u>148.822</u>	<u>160.654</u>	
Foreign currencies			Foreign currencies
PT Bank Negara Indonesia (Persero) Tbk	36.323	47.668	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Central Asia Tbk	13.341	13.792	PT Bank Central Asia Tbk
PT Bank Mandiri (Persero) Tbk	6.348	2.920	PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	5.129	11.223	PT Bank Rakyat Indonesia (Persero) Tbk
DBS Singapore Ltd	1.215	1.047	DBS Singapore Ltd
PT Bank ICBC Indonesia	503	411	PT Bank ICBC Indonesia
	<u>62.859</u>	<u>77.061</u>	
Total	211.681	237.715	Total
Allowance for impairment losses	<u>(238)</u>	<u>(53)</u>	Allowance for impairment losses
Net	<u><u>211.443</u></u>	<u><u>237.662</u></u>	Net

As of December 31, 2021 and 2020, there was no current accounts with other banks based on sharia banking principles.

b. By currency

	<u>2021</u>		<u>2020</u>		
	Jumlah nosional mata uang asing/ <i>Notional amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>	Jumlah nosional mata uang asing/ <i>Notional amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>	
Rupiah		148.822		160.654	Rupiah
Foreign currencies					Foreign currencies
United States Dollar	4.002.601	57.046	5.147.801	72.327	United States Dollar
Great Britain Poundsterling	72.028	1.387	49.024	932	Great Britain Poundsterling
Singapore Dollar	114.991	1.214	98.769	1.047	Singapore Dollar
Australian Dollar	99.552	1.030	56.575	608	Australian Dollar
Euro	59.367	957	68.276	1.177	Euro
Chinese Yuan Renminbi	224.993	503	191.270	411	Chinese Yuan Renminbi
Hong Kong Dollar	208.273	381	208.307	377	Hong Kong Dollar
Japanese Yen	2.753.527	341	1.335.930	182	Japanese Yen
Total foreign currencies		<u>62.859</u>		<u>77.061</u>	Total foreign currencies
		211.681		237.715	
Allowance for impairment losses		<u>(238)</u>		<u>(53)</u>	Allowance for impairment losses
Net		<u><u>211.443</u></u>		<u><u>237.662</u></u>	Net

c. Interest rates per annum

	<u>2021</u>	<u>2020</u>	
Rupiah	0,03%	0,06%	Rupiah
Foreign Currencies	0,02%	0,02%	Foreign Currencies

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5. GIRO PADA BANK LAIN (lanjutan)

d. Berdasarkan hubungan

Pada tanggal 31 Desember 2021 dan 2020, tidak ada giro pada bank lain pada pihak berelasi.

e. Berdasarkan kolektibilitas

Giro pada bank lain pada tanggal 31 Desember 2021 dan 2020, digolongkan sebagai lancar. Tidak terdapat saldo giro pada bank lain yang diblokir atau digunakan sebagai agunan.

f. Nilai tercatat bruto

	2021				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total	
Rupiah	148.821	-	-	148.821	Rupiah
Mata uang asing	62.860	-	-	62.860	Foreign currencies
Jumlah	211.681	-	-	211.681	Total
Cadangan kerugian penurunan nilai	(238)	-	-	(238)	Allowance for impairment losses
Neto	211.443	-	-	211.443	Net

	2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
Rupiah	160.654	-	-	160.654	Rupiah
Mata uang asing	77.061	-	-	77.061	Foreign currencies
Jumlah	237.715	-	-	237.715	Total
Penyisihan kerugian penurunan nilai	(53)	-	-	(53)	Allowance for impairment losses
Neto	237.662	-	-	237.662	Net

g. Cadangan kerugian penurunan nilai

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya giro pada 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 giro pada bank lain diungkapkan pada (Catatan 39e).

5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

d. By relationship

As of December 31, 2021 and 2020, no current accounts in related parties.

e. By collectability

Current accounts with other banks as of December 31, 2021 and 2020 were classified as current. None were blocked or under liens as collateral.

f. Gross carrying amount

	2021				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total	
Rupiah	148.821	-	-	148.821	Rupiah
Mata uang asing	62.860	-	-	62.860	Foreign currencies
Jumlah	211.681	-	-	211.681	Total
Cadangan kerugian penurunan nilai	(238)	-	-	(238)	Allowance for impairment losses
Neto	211.443	-	-	211.443	Net

	2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
Rupiah	160.654	-	-	160.654	Rupiah
Mata uang asing	77.061	-	-	77.061	Foreign currencies
Jumlah	237.715	-	-	237.715	Total
Penyisihan kerugian penurunan nilai	(53)	-	-	(53)	Allowance for impairment losses
Neto	237.662	-	-	237.662	Net

g. Allowance for impairment losses

Management believes that the allowance for impairment losses on current accounts with other banks is adequate.

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

	2021	2020
Rupiah		
Deposito berjangka:		
PT Bank ICBC Indonesia	400.000	280.000
PT Bank Rakyat Indonesia (Persero) Tbk	-	1.000.000
PT Bank Bukopin Syariah	-	25.000
Lain-lain (Bank Perkreditan Rakyat)	10.000	15.500
	<u>410.000</u>	<u>1.320.500</u>
Pasar Uang Antar Bank:		
PT Bank Pan Indonesia Tbk	480.000	-
PT Bank Pembangunan Daerah		
Sulawesi Selatan dan Sulawesi Barat	200.000	150.000
PT Bank Pembangunan Daerah Irian Jaya	160.000	160.000
PT Bank Pembangunan Daerah		
Sumatera Selatan dan Bangka Belitung	145.000	265.000
PT Bank Resona Perdania	140.000	-
PT Bank Pembangunan Daerah		
Riau Kepri	135.000	-
PT Bank Pembangunan Daerah		
Kalimantan Timur dan Kalimantan Utara	100.000	75.000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	100.000	-
PT Bank Pembangunan Daerah Lampung	22.000	-
PT Bank Pembangunan Daerah		
Jawa Tengah	-	100.000
PT Bank Pembangunan Daerah		
Nusa Tenggara Timur	-	110.000
PT Bank Rakyat Indonesia Syariah	-	85.000
PT Bank CTBC Indonesia	-	80.000
PT Bank Pembangunan Daerah		
Maluku dan Maluku Utara	-	11.000
	<u>1.482.000</u>	<u>1.036.000</u>
Fasilitas Simpanan Bank Indonesia (FASBI)	5.027.000	378.400
<i>Term Deposit</i>	3.000.000	4.150.000
Dikurangi: Diskonto yang belum diamortisasi	(1.305)	(242)
	<u>8.025.695</u>	<u>4.528.158</u>
Jumlah	9.917.695	6.884.658
Cadangan kerugian penurunan nilai	(1.763)	(795)
Neto	<u>9.915.932</u>	<u>6.883.863</u>

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a. By type and currency

	Rupiah
<i>Time deposits:</i>	
PT Bank ICBC Indonesia	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Bukopin Syariah	
Others (Rural Bank)	
<i>Interbank call money:</i>	
PT Bank Pan Indonesia Tbk	
PT Bank Pembangunan Daerah	
Sulawesi Selatan dan Sulawesi Barat	
PT Bank Pembangunan Daerah Irian Jaya	
PT Bank Pembangunan Daerah	
Sumatera Selatan dan Bangka Belitung	
PT Bank Resona Perdania	
PT Bank Pembangunan Daerah	
Riau Kepri	
PT Bank Pembangunan Daerah	
Kalimantan Timur dan Kalimantan Utara	
PT Bank of Tokyo - Mitsubishi UFJ Ltd	
PT Bank Pembangunan Daerah Lampung	
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	
Maluku dan Maluku Utara	
<i>Bank Indonesia Deposit Facility (FASBI)</i>	
<i>Term Deposit</i>	
<i>Less: Unamortized interest</i>	
Total	
Allowance for impairment losses	
Net	

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6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)

a. Berdasarkan jenis dan mata uang (lanjutan)

Pada tanggal 31 Desember 2021 dan 2020, dalam penempatan pada Bank Indonesia dan bank lain termasuk penempatan yang didasarkan pada prinsip perbankan syariah masing-masing sebesar Rp1.130.000 dan Rp395.400.

b. Berdasarkan jangka waktu

	<u>2021</u>	<u>2020</u>
Kurang dari 1 bulan	9.312.590	5.822.694
1 - 3 bulan	290.723	2.000
3 - 6 bulan	252.645	578.304
6 - 12 bulan	59.974	480.865
	<u><u>9.915.932</u></u>	<u><u>6.883.863</u></u>

c. Berdasarkan kolektibilitas

Semua penempatan Bank pada Bank Indonesia dan bank lain pada tanggal 31 Desember 2021 dan 2020 digolongkan lancar.

d. Berdasarkan hubungan

Pada tanggal 31 Desember 2021 dan 2020 tidak terdapat penempatan pada pihak berelasi.

e. Tingkat suku bunga per tahun

	<u>2021</u>	<u>2020</u>
Rupiah	3,00%	2,69%
Mata uang asing	0,03%	0,00%

f. Nilai tercatat bruto

	<u>2021</u>			
	<u>Tahap 1/ Stage 1</u>	<u>Tahap 2/ Stage 2</u>	<u>Tahap 3/ Stage 3</u>	<u>Total/ Total</u>
Rupiah:				
Penempatan pada Bank Indonesia	8.025.695	-	-	8.025.695
Pasar uang antar Bank	1.892.000	-	-	1.892.000
Deposito berjangka	-	-	-	-
Jumlah	<u>9.917.695</u>	<u>-</u>	<u>-</u>	<u>9.917.695</u>
Cadangan kerugian penurunan nilai	(1.763)	-	-	(1.763)
Neto	<u><u>9.915.932</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>9.915.932</u></u>

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By type and currency (continued)

As of December 31, 2021 and 2020, placements with Bank Indonesia and other banks include placements based on sharia banking principles amounting to Rp1,130,000 and Rp395,400 respectively.

b. By maturity

Less than 1 month
1 - 3 months
3 - 6 months
6 - 12 months

c. By collectability

All placements with Bank Indonesia and other banks as of December 31, 2021 and 2020 were classified as current.

d. By relationship

As of December 31, 2021 and 2020, the Bank had no funds placed with related parties.

e. Interest rates per annum

Rupiah
Foreign currencies

f. Gross carrying amount

Rupiah:
Placements with Bank Indonesia
Interbank call money
Time deposits
Total
Allowance for impairment losses
Net

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6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

f. Nilai tercatat bruto (lanjutan)

f. Gross carrying amount (continued)

	2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total	
Rupiah:					Rupiah:
Penempatan pada Bank Indonesia	4.528.158	-	-	4.528.158	Placements with Bank Indonesia
Pasar uang antar Bank	1.036.000	-	-	1.036.000	Interbank call money
Deposito berjangka	1.320.500	-	-	1.320.500	Time deposits
Jumlah	6.884.658	-	-	6.884.658	Total
Penyisihan kerugian penurunan nilai	(795)	-	-	(795)	Allowance for impairment losses
Neto	6.883.863	-	-	6.883.863	Net

g. Cadangan kerugian penurunan nilai

g. Allowance for impairment losses

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.

Management believes that the allowance for impairment losses on placements with Bank Indonesia and 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 penempatan 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 placement with other bank are disclosed in (Note 39e).

h. Penempatan pada bank lain yang digunakan sebagai jaminan

h. Placements with other banks pledged as collateral

Tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan pada tanggal-tanggal 31 Desember 2021 dan 2020.

There were no placements with other banks pledged as collateral as of December 31, 2021 and 2020.

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7. SURAT-SURAT BERHARGA

a. Berdasarkan jenis dan mata uang

	2021		2020		
	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	
Rupiah:					Rupiah:
Biaya perolehan dimortisasi					Amortised cost
Surat Utang Negara	15.126.108	15.530.273	5.354.219	5.387.370	Government bonds
Obligasi	2.058.900	2.071.699	2.122.500	2.137.493	Bonds
Sukuk Bank Indonesia	541.392	541.392	317.412	317.412	Sukuk of Bank Indonesia
Sertifikat Investasi Mudharabah Antar Bank	139.000	139.000	315.000	315.000	Interbank Mudarabah Investment Certificate
Negotiable Certificate of Deposit (NCD)	210.000	206.095	190.000	183.513	Negotiable Certificate of Deposit (NCD)
Surat Utang Jangka Menengah	-	-	93.000	93.188	Medium Term Notes
Reksadana	2.339.000	2.339.000	2.469.000	2.469.000	Reksadana
Surat kredit berdokumen dalam negeri	-	-	19.664	19.664	Domestic L/C
Wesel	6.747	6.747	-	-	Bill
	20.421.147	20.834.206	10.880.795	10.922.640	
Penyisihan kerugian penurunan nilai	-	-	-	-	Allowance for impairment losses
Jumlah biaya perolehan diamortisasi	20.421.147	20.834.206	10.880.795	10.922.640	Total amortized cost
Nilai wajar melalui penghasilan komprehensif lain					Fair value through other comprehensive income
Surat Utang Negara	11.242.058	11.554.760	3.532.234	3.588.846	Government bonds
Kenaikan harga pasar yang belum direalisasi	-	-	-	155.251	Unrealized gain on changes of fair value
Jumlah nilai wajar melalui penghasilan komprehensif lain	11.242.058	11.554.760	3.532.234	3.744.097	Total fair value through other comprehensive income
Jumlah biaya perolehan diamortisasi dan nilai wajar melalui penghasilan komprehensif lain	31.663.205	32.388.966	14.413.029	14.666.737	Total amortized cost and fair value through other comprehensive income
Penyisihan kerugian penurunan nilai	-	(5.943)	-	(8.118)	Allowance for impairment losses
Jumlah surat berharga	31.663.205	32.383.023	14.413.029	14.658.619	Total marketable securities

b. Berdasarkan hubungan

Pada tanggal 31 Desember 2021 dan 2020, tidak terdapat surat berharga pada pihak berelasi.

7. MARKETABLE SECURITIES

a. By type and currency

	2021		2020		
	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value	
Rupiah:					Rupiah:
Biaya perolehan dimortisasi					Amortised cost
Surat Utang Negara	15.126.108	15.530.273	5.354.219	5.387.370	Government bonds
Obligasi	2.058.900	2.071.699	2.122.500	2.137.493	Bonds
Sukuk Bank Indonesia	541.392	541.392	317.412	317.412	Sukuk of Bank Indonesia
Sertifikat Investasi Mudharabah Antar Bank	139.000	139.000	315.000	315.000	Interbank Mudarabah Investment Certificate
Negotiable Certificate of Deposit (NCD)	210.000	206.095	190.000	183.513	Negotiable Certificate of Deposit (NCD)
Surat Utang Jangka Menengah	-	-	93.000	93.188	Medium Term Notes
Reksadana	2.339.000	2.339.000	2.469.000	2.469.000	Reksadana
Surat kredit berdokumen dalam negeri	-	-	19.664	19.664	Domestic L/C
Wesel	6.747	6.747	-	-	Bill
	20.421.147	20.834.206	10.880.795	10.922.640	
Penyisihan kerugian penurunan nilai	-	-	-	-	Allowance for impairment losses
Jumlah biaya perolehan diamortisasi	20.421.147	20.834.206	10.880.795	10.922.640	Total amortized cost
Nilai wajar melalui penghasilan komprehensif lain					Fair value through other comprehensive income
Surat Utang Negara	11.242.058	11.554.760	3.532.234	3.588.846	Government bonds
Kenaikan harga pasar yang belum direalisasi	-	-	-	155.251	Unrealized gain on changes of fair value
Jumlah nilai wajar melalui penghasilan komprehensif lain	11.242.058	11.554.760	3.532.234	3.744.097	Total fair value through other comprehensive income
Jumlah biaya perolehan diamortisasi dan nilai wajar melalui penghasilan komprehensif lain	31.663.205	32.388.966	14.413.029	14.666.737	Total amortized cost and fair value through other comprehensive income
Penyisihan kerugian penurunan nilai	-	(5.943)	-	(8.118)	Allowance for impairment losses
Jumlah surat berharga	31.663.205	32.383.023	14.413.029	14.658.619	Total marketable securities

b. By relationship

As of December 31, 2021 and 2020, there were no marketable securities transactions with related parties.

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7. SURAT-SURAT BERHARGA (lanjutan)

c. Berdasarkan penerbit

	2021	2020
Pemerintah Republik Indonesia	27.085.033	9.131.467
Bank Indonesia	541.392	317.412
Perbankan :		
PT Bank Rakyat Indonesia (Persero) Tbk	157.788	66.000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	99.281	93.863
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	99.000	45.000
PT Bank Mandiri Taspen	54.148	30.263
PT Bank CIMB Niaga Tbk	49.307	80.785
PT Maybank Indonesia	48.993	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	41.950	50.000
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (Syariah)	40.000	-
PT Bank Pembangunan Daerah DKI	39.226	5.071
PT Bank Negara Indonesia (Persero) Tbk	30.270	230.755
PT Bank Tabungan Negara (Persero) Tbk	30.218	30.618
PT Bank Danamon Indonesia Tbk	30.209	30.708
PT Bank Pembangunan Daerah Bali	28.765	-
PT Bank Mandiri (Persero) Tbk	27.430	17.000
PT Bank Pan Indonesia Tbk	10.057	45.612
PT Bank Pembangunan Daerah Jawa Tengah	-	200.000
PT Bank Pembangunan Daerah Sulselbar	-	10.152
PT Bank Rakyat Indonesia (Persero) Tbk (Syariah)	-	70.000
PT Bank Commonwealth Indonesia	-	89.650
	786.642	1.095.477
Korporasi		
PT Trimegah Securities	900.000	150.000
PT Permodalan Nasional Madani (Persero)	689.000	619.000
PT Pupuk Indonesia (Persero)	337.948	152.093
PT Avrist Asset Management	300.000	500.000
PT Bahana Sekuritas	300.000	200.000
PT Pegadaian (Persero)	255.018	227.691
PT Sarana Multigriya Finansial (Persero)	246.253	351.240
PT Semen Indonesia (Persero) Tbk	193.994	172.423
PT Sarana Multi Infrastruktur (Persero)	190.131	127.037
PT Perusahaan Listrik Negara (Persero)	110.209	92.009
PT Gemilang Indonesia Manajemen Investasi	100.000	100.000
PT Jasa Marga (Persero) Tbk	55.000	55.000
PT Utama Karya	50.873	-
PT Astra Sedaya Finance	50.000	100.000
PT Setiabudi Investment Management	50.000	-
PT Indofood Sukses Makmur Tbk	41.637	41.957
PT Telekomunikasi Indonesia Tbk	37.519	51.749
PT Mandiri Tunas Finance	31.247	31.670
PT Indonesia Infrastructure Finance	30.323	-
Wesel	6.747	-
PT Danareksa Investment Management	-	250.000
PT Medco Energi Internasional Tbk	-	37.500
PT Kimia Farma (Persero) Tbk	-	80.000
PT Indosat Tbk	-	55.015
PT BCA Finance	-	75.000
PT Pembangunan Perumahan (Persero) Tbk	-	57.000
PT Angkasa Pura I (Persero)	-	50.574
PT Insight Investment Management	-	250.000
PT Angkasa Pura II (Persero)	-	50.530
PT XL Axiata Tbk	-	25.229
PT RHB Sekuritas	-	200.000
Surat kredit berdokumen dalam negeri	-	19.664
	3.975.899	4.122.381
Penyisihan kerugian penurunan nilai	(5.943)	(8.118)
Jumlah surat-surat berharga	32.383.023	14.658.619

7. MARKETABLE SECURITIES (continued)

c. By issuers

	2021	2020
Government of the Republic of Indonesia	27.085.033	9.131.467
Bank Indonesia	541.392	317.412
Banking:		
PT Bank Rakyat Indonesia (Persero) Tbk	157.788	66.000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	99.281	93.863
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	99.000	45.000
PT Bank Mandiri Taspen	54.148	30.263
PT Bank CIMB Niaga Tbk	49.307	80.785
PT Maybank Indonesia	48.993	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	41.950	50.000
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (Syariah)	40.000	-
PT Bank Pembangunan Daerah DKI	39.226	5.071
PT Bank Negara Indonesia (Persero) Tbk	30.270	230.755
PT Bank Tabungan Negara (Persero) Tbk	30.218	30.618
PT Bank Danamon Indonesia Tbk	30.209	30.708
PT Bank Pembangunan Daerah Bali	28.765	-
PT Bank Mandiri (Persero) Tbk	27.430	17.000
PT Bank Pan Indonesia Tbk	10.057	45.612
PT Bank Pembangunan Daerah Jawa Tengah	-	200.000
PT Bank Pembangunan Daerah Sulselbar	-	10.152
PT Bank Rakyat Indonesia (Persero) Tbk (Syariah)	-	70.000
PT Bank Commonwealth Indonesia	-	89.650
	786.642	1.095.477
Corporate:		
PT Trimegah Securities	900.000	150.000
PT Permodalan Nasional Madani (Persero)	689.000	619.000
PT Pupuk Indonesia (Persero)	337.948	152.093
PT Avrist Asset Management	300.000	500.000
PT Bahana Sekuritas	300.000	200.000
PT Pegadaian (Persero)	255.018	227.691
PT Sarana Multigriya Finansial (Persero)	246.253	351.240
PT Semen Indonesia (Persero) Tbk	193.994	172.423
PT Sarana Multi Infrastruktur (Persero)	190.131	127.037
PT Perusahaan Listrik Negara (Persero)	110.209	92.009
PT Gemilang Indonesia Manajemen Investasi	100.000	100.000
PT Jasa Marga (Persero) Tbk	55.000	55.000
PT Utama Karya	50.873	-
PT Astra Sedaya Finance	50.000	100.000
PT Setiabudi Investment Management	50.000	-
PT Indofood Sukses Makmur Tbk	41.637	41.957
PT Telekomunikasi Indonesia Tbk	37.519	51.749
PT Mandiri Tunas Finance	31.247	31.670
PT Indonesia Infrastructure Finance	30.323	-
Bill	6.747	-
PT Danareksa Investment Management	-	250.000
PT Medco Energi Internasional Tbk	-	37.500
PT Kimia Farma (Persero) Tbk	-	80.000
PT Indosat Tbk	-	55.015
PT BCA Finance	-	75.000
PT Pembangunan Perumahan (Persero) Tbk	-	57.000
PT Angkasa Pura I (Persero)	-	50.574
PT Insight Investment Management	-	250.000
PT Angkasa Pura II (Persero)	-	50.530
PT XL Axiata Tbk	-	25.229
PT RHB Sekuritas	-	200.000
Domestic L/C	-	19.664
	3.975.899	4.122.381
Allowance for impairment losses	(5.943)	(8.118)
Total marketable securities	32.383.023	14.658.619

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7. SURAT-SURAT BERHARGA (lanjutan)

d. Berdasarkan peringkat

Peringkat surat berharga pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

	2021		
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying value
Rupiah:			
Surat Utang Negara	-	-	27.085.033
PT Trimegah Securities	-	-	900.000
PT Permodalan Nasional Madani (Persero)	-	-	689.000
Bank Indonesia	-	-	541.392
PT Pupuk Indonesia (Persero)	Fitch Indonesia	AAA(idn)	337.948
PT Avrist Asset Management	-	-	300.000
PT Bahana Sekuritas	-	-	300.000
PT Pegadaian (Persero)	Pefindo	idAAA	255.018
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	246.253
PT Semen Indonesia (Persero)	Pefindo	idAA+	193.994
PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA	190.131
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	157.788
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	110.209
PT Gemilang Indonesia Manajemen Investasi	-	-	100.000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	Fitch Global	A-	99.281
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	Pefindo	idA	99.000
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	55.000
PT Bank Mandiri Taspen	Fitch indonesia	AA(idn)	54.148
PT Hutama Karya	Fitch Indonesia	AA+(idn)	50.873
PT Astra Sedaya Finance	Pefindo	idAAA	50.000
PT Setiabudi Investment Management	-	-	50.000
PT Bank CIMB Niaga Tbk	Pefindo	idAAA	49.307
PT Maybank Indonesia Tbk	Pefindo	idAAA	48.993
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Pefindo	idAA-	41.950
PT Indofood Sukses Makmur Tbk	Pefindo	idAA+	41.637
PT BJB Syariah	Pefindo	idAA-	40.000
PT Bank Pembangunan Daerah DKI	Pefindo	idAA-	39.226
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	37.519
PT Mandiri Tunas Finance	Pefindo	idAA+	31.247
PT Indonesia Infrastructure Finance	Pefindo	idAAA	30.323
PT Bank Negara Indonesia (Persero) Tbk	Pefindo	idAAA	30.270
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAA+	30.218
PT Bank Danamon Indonesia Tbk	Pefindo	idAAA	30.209
PT Bank Pembangunan Daerah Bali	Fitch indonesia	A(idn)	28.765
PT Bank Mandiri (Persero) Tbk	Pefindo	idAAA	27.430
PT Bank Pan Indonesia Tbk	Pefindo	idAA	10.057
Wesel	-	-	6.747
Jumlah Rupiah			32.388.966
Mata uang asing:			
Wesel ekspor			-
			32.388.966
Penyisihan kerugian penurunan nilai			(5.943)
Jumlah surat-surat berharga			32.383.023

7. MARKETABLE SECURITIES (continued)

d. By rating

The ratings of marketable securities as of December 31, 2021 and 2020 are as follows:

	2021
	Nilai tercatat/ Carrying value
Rupiah:	
Government Bonds	27.085.033
PT Trimegah Securities	900.000
PT Permodalan Nasional Madani (Persero)	689.000
Certificates of Bank Indonesia	541.392
PT Pupuk Indonesia (Persero)	337.948
PT Avrist Asset Management	300.000
PT Bahana Sekuritas	300.000
PT Pegadaian (Persero)	255.018
PT Sarana Multigriya Finansial (Persero)	246.253
PT Semen Indonesia (Persero)	193.994
PT Sarana Multi Infrastruktur (Persero)	190.131
PT Bank Rakyat Indonesia (Persero) Tbk	157.788
PT Perusahaan Listrik Negara (Persero)	110.209
PT Gemilang Indonesia Manajemen Investasi	100.000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	99.281
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	99.000
PT Jasa Marga (Persero) Tbk	55.000
PT Bank Mandiri Taspen	54.148
PT Hutama Karya	50.873
PT Astra Sedaya Finance	50.000
PT Setiabudi Investment Management	50.000
PT Bank CIMB Niaga Tbk	49.307
PT Maybank Indonesia Tbk	48.993
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	41.950
PT Indofood Sukses Makmur Tbk	41.637
PT BJB Syariah	40.000
PT Bank Pembangunan Daerah DKI	39.226
PT Telekomunikasi Indonesia Tbk	37.519
PT Mandiri Tunas Finance	31.247
PT Indonesia Infrastructure Finance	30.323
PT Bank Negara Indonesia (Persero) Tbk	30.270
PT Bank Tabungan Negara (Persero) Tbk	30.218
PT Bank Danamon Indonesia Tbk	30.209
PT Bank Pembangunan Daerah Bali	28.765
PT Bank Mandiri (Persero) Tbk	27.430
PT Bank Pan Indonesia Tbk	10.057
Bill	6.747
Total Rupiah	32.388.966
Foreign currency:	
Export bill	-
	32.388.966
Allowance for impairment losses	(5.943)
Total marketable securities	32.383.023

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7. SURAT-SURAT BERHARGA (lanjutan)

d. Berdasarkan peringkat (lanjutan)

	2020		
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying value
Rupiah:			
Surat Utang Negara	-	-	9.131.467
PT Permodalan Nasional Madani (Persero)	Pefindo	idA+	619.000
PT Avrist Asset Management	-	-	500.000
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	351.240
Bank Indonesia	-	-	317.412
PT Insight Investment Management	-	-	250.000
PT Danareksa Investment Management	-	-	250.000
PT Bank Negara Indonesia (Persero) Tbk	Pefindo	idAAA	230.755
PT Pegadaian (Persero)	Pefindo	idAAA	227.691
PT Bank Pembangunan Daerah Jawa Tengah	Pefindo	idAA-	200.000
PT Bahana Sekuritas	-	-	200.000
PT RHB Sekuritas	-	-	200.000
PT Semen Indonesia (Persero)	Pefindo	idAA	172.423
PT Pupuk Indonesia (Persero)	Fitch Indonesia	AAA(idn)	152.093
PT Trimegah Securities	-	-	150.000
PT Sarana Multi Infrastruktur (Persero)	Pefindo	idAAA	127.037
PT Gemilang Indonesia Manajemen Investasi	-	-	100.000
PT Astra Sedaya Finance	Fitch Indonesia	AAA(idn)	100.000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	Fitch Global	A(idn)	93.863
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	92.009
PT Bank Commonwealth Indonesia	Fitch Indonesia	AAA(idn)	89.650
PT Bank CIMB Niaga Tbk	Pefindo	idAAA	80.785
PT Kimia Farma (Persero) Tbk	Pefindo	idAA-	80.000
PT Bank Central Asia Finance	Pefindo	idAAA	75.000
PT Bank Rakyat Indonesia Syariah	Pefindo	idAA+	70.000
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	66.000
PT Pembangunan Perumahan (Persero) Tbk	Pefindo	idA+	57.000
PT Indosat Tbk	Pefindo	idAAA	55.015
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	55.000
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	51.749
PT Angkasa Pura II (Persero)	Pefindo	idAAA	50.530
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Pefindo	idAA-	50.000
PT Angkasa Pura I (Persero)	Pefindo	idAAA	50.574
PT Bank Pan Indonesia Tbk	Pefindo	idAA	45.612
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	Pefindo	idA	45.000
PT Indofood Sukses Makmur Tbk	Pefindo	idAA+	41.957
PT Medco Energi International Tbk	Pefindo	idA+	37.500
PT Mandiri Tunas Finance	Pefindo	idAA+	31.670
PT Bank Danamon Indonesia Tbk	Pefindo	idAAA	30.708
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAA+	30.618
PT Bank Mandiri Taspen	Pefindo	idAA+	30.263
PT XL Axiata Tbk	Fitch Indonesia	AAA(idn)	25.229
PT Bank Mandiri (Persero) Tbk	Pefindo	idAAA	17.000
PT Bank Pembangunan Daerah Sulselbar	Pefindo	idA+	10.152
PT Bank Pembangunan Daerah DKI	Pefindo	idAA-	5.071
Surat kredit berdokumen dalam negeri	-	-	19.664
Jumlah Rupiah			14.666.737
Mata uang asing:			
Weasel ekspor			-
			14.666.737
Penyisihan kerugian penurunan nilai			(8.118)
Jumlah surat-surat berharga			14.658.619

7. MARKETABLE SECURITIES (continued)

d. By rating (continued)

		Rupiah:
		Government Bonds
		PT Permodalan Nasional Madani (Persero)
		PT Avrist Asset Management
		PT Sarana Multigriya Finansial (Persero)
		Certificates of Bank Indonesia
		PT Insight Investment Management
		PT Danareksa Investment Management
		PT Bank Negara Indonesia (Persero) Tbk
		PT Pegadaian (Persero)
		PT Bank Pembangunan Daerah Jawa Tengah
		PT Bahana Sekuritas
		PT RHB Sekuritas
		PT Semen Indonesia (Persero)
		PT Pupuk Indonesia (Persero)
		PT Trimegah Securities
		PT Sarana Multi Infrastruktur (Persero)
		PT Gemilang Indonesia Manajemen Investasi
		PT Astra Sedaya Finance
		PT Bank of Tokyo - Mitsubishi UFJ Ltd
		PT Perusahaan Listrik Negara (Persero)
		PT Bank Commonwealth Indonesia
		PT Bank CIMB Niaga Tbk
		PT Kimia Farma (Persero) Tbk
		PT Bank Central Asia Finance
		PT Bank Rakyat Indonesia Syariah
		PT Bank Rakyat Indonesia (Persero) Tbk
		PT Pembangunan Perumahan (Persero) Tbk
		PT Indosat Tbk
		PT Jasa Marga (Persero) Tbk
		PT Telekomunikasi Indonesia Tbk
		PT Angkasa Pura II (Persero)
		PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
		PT Angkasa Pura I (Persero)
		PT Bank Pan Indonesia Tbk
		PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara
		PT Indofood Sukses Makmur Tbk
		PT Medco Energi International Tbk
		PT Mandiri Tunas Finance
		PT Bank Danamon Indonesia Tbk
		PT Bank Tabungan Negara (Persero) Tbk
		PT Bank Mandiri Taspen
		PT XL Axiata Tbk
		PT Bank Mandiri (Persero) Tbk
		PT Bank Pembangunan Daerah Sulselbar
		PT Bank Pembangunan Daerah DKI
		Domestic L/C
		Total Rupiah
		Foreign currency:
		Export bill
		Allowance for impairment losses
		Total marketable securities

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7. SURAT-SURAT BERHARGA (lanjutan)

e. Jangka waktu dan tingkat bunga

	<u>2021</u>	<u>2020</u>
Kurang dari 1 tahun	20.095.803	10.264.875
1 - 5 tahun	12.293.164	4.401.862
	32.388.966	14.666.737
Dikurangi: Penyisihan kerugian penurunan nilai	(5.943)	(8.118)
Jumlah surat-surat berharga	<u>32.383.023</u>	<u>14.658.619</u>

Tingkat bunga per tahun:

	<u>2021</u>	<u>2020</u>
Rupiah	7,67%	11,71%

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:

	<u>2021</u>	<u>2020</u>
Saldo awal	125.733	20
Penambahan laba (rugi) yang belum direalisasi selama periode berjalan	(22.407)	155.206
Jumlah sebelum pajak tangguhan	<u>103.326</u>	<u>155.226</u>
Pajak tangguhan	(15.902)	(29.493)
Saldo akhir bersih	<u>87.424</u>	<u>125.733</u>

g. Kolektibilitas

Pada tanggal 31 Desember 2021 dan 2020, kolektibilitas surat-surat berharga adalah dalam kategori lancar.

h. Nilai tercatat bruto

	<u>2021</u>				
	<u>Tahap 1/ Stage 1</u>	<u>Tahap 2/ Stage 2</u>	<u>Tahap 3/ Stage 3</u>	<u>Total/ Total</u>	
Rupiah:					Rupiah:
Surat Utang Negara	27.085.033	-	-	27.085.033	Government bonds
Obligasi	2.071.699	-	-	2.071.699	Bonds
Sukuk Bank Indonesia	541.392	-	-	541.392	Bank Indonesia Sukuk
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	139.000	-	-	139.000	Interbank Mudarabah Investment Certificate
Negotiable Certificate of Deposit	206.095	-	-	206.095	Negotiable Certificate of Deposit
Surat Berharga Jangka Menengah Reksadana	2.339.000	-	-	2.339.000	Medium Term Notes Mutual funds
Wesel	6.747	-	-	6.747	Bill
Jumlah surat berharga	32.388.966	-	-	32.388.966	Total marketable securities
Penyisihan kerugian penurunan nilai	(5.943)	-	-	(5.943)	Allowance for impairment losses
Neto	<u>32.383.023</u>	<u>-</u>	<u>-</u>	<u>32.383.023</u>	Net

7. MARKETABLE SECURITIES (continued)

e. By maturity and interest rates

	<u>2021</u>	<u>2020</u>	
Kurang dari 1 tahun	20.095.803	10.264.875	Less than 1 year
1 - 5 tahun	12.293.164	4.401.862	1 - 5 years
	32.388.966	14.666.737	
Dikurangi: Penyisihan kerugian penurunan nilai	(5.943)	(8.118)	Less: Allowance for impairment losses
Jumlah surat-surat berharga	<u>32.383.023</u>	<u>14.658.619</u>	Total marketable securities

Interest rates per annum:

	<u>2021</u>	<u>2020</u>	
Rupiah	7,67%	11,71%	Rupiah

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:

	<u>2021</u>	<u>2020</u>	
Saldo awal	125.733	20	Beginning balance
Penambahan laba (rugi) yang belum direalisasi selama periode berjalan	(22.407)	155.206	Addition of unrealized gains (loss) during the period
Jumlah sebelum pajak tangguhan	<u>103.326</u>	<u>155.226</u>	Total before deferred tax
Pajak tangguhan	(15.902)	(29.493)	Deferred tax
Saldo akhir bersih	<u>87.424</u>	<u>125.733</u>	Ending balance net

g. Collectibility

As of December 31, 2021 and 2020, the collectibility of securities are classified as current.

h. Gross carrying amount

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7. SURAT-SURAT BERHARGA (lanjutan)

7. MARKETABLE SECURITIES (continued)

h. Nilai tercatat bruto (lanjutan)

h. Gross carrying amount (continued)

	2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
Rupiah:					Rupiah:
Surat Utang Negara	9.131.468	-	-	9.131.468	Government bonds
Obligasi	2.137.493	-	-	2.137.493	Bonds
Sertifikat Bank Indonesia	317.412	-	-	317.412	Bank Indonesia Sukuk
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	315.000	-	-	315.000	Interbank Mudarabah Investment Certificate
Negotiable Certificate of Deposit	183.512	-	-	183.512	Negotiable Certificate of Deposit
Surat Berharga Jangka Menengah	93.188	-	-	93.188	Medium Term Notes
Reksadana	2.469.000	-	-	2.469.000	Mutual funds
Surat Kredit Berdokumen Dalam Negeri	19.664	-	-	19.664	Domestic L/C
Jumlah surat berharga	14.666.737	-	-	14.666.737	Total marketable securities
Penyisihan kerugian penurunan nilai	(8.118)	-	-	(8.118)	Allowance for impairment losses
Neto	14.658.619	-	-	14.658.619	Net

i. Cadangan kerugian penurunan nilai atas surat berharga

i. Allowance for impairment losses for marketable securities

Cadangan kerugian penurunan nilai atas surat berharga adalah sebagai berikut:

Allowance for impairment losses for marketable securities are as follows:

Jumlah minimum penyisihan kerugian penurunan nilai surat-surat berharga yang wajib dibentuk sesuai ketentuan Bank Indonesia pada tanggal 31 Desember 2021 dan 2020 masing-masing adalah sebesar Rp47.625 dan Rp14.738.

Minimum allowance for impairment losses for marketable securities required by Bank Indonesia as of December 31, 2021 and 2020 amounted to Rp47,625 and Rp14,738, respectively.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya surat berharga adalah memadai.

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 2021 dan 2020 Bank memiliki tagihan dari surat berharga yang dibeli dengan janji dijual kembali sejumlah Rp3.420.685 dan Rp12.573.044 dengan rincian sebagai berikut:

8. MARKETABLE SECURITIES PURCHASED UNDER RESALE AGREEMENT

As of December 31, 2021 and 2020 Bank has a number of marketable securities purchased under resale agreement Rp3,420,685 and Rp12,573,044, with details as follows:

2021						
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	309.285	28 Desember/ December 28, 2021	4 Januari/ January 4, 2022	309.495	120	309.405
VR0062	469.488	29 Desember/ December 29, 2021	5 Januari/ January 5, 2022	469.807	137	469.625
FR0043	742.045	30 Desember/ December 30, 2021	6 Januari/ January 6, 2022	742.550	144	742.189
FR0070	316.797	30 Desember/ December 30, 2021	6 Januari/ January 6, 2022	317.013	62	316.859
FR0056	165.599	31 Desember/ December 31, 2021	7 Januari/ January 7, 2022	165.712	16	165.615
FR0077	1.416.854	31 Desember/ December 31, 2021	7 Januari/ January 7, 2022	1.417.818	138	1.416.992
Jumlah/Total	3.420.068			3.422.395	617	3.420.685
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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9. TAGIHAN LAINNYA

	2021
Tagihan transfer dan ATM	116.119
Lainnya	113.900
Jumlah	230.019

Pada tanggal 31 Desember 2021 dan 2020, tidak terdapat tagihan pada pihak berelasi.

Kolektibilitas tagihan lainnya pada tanggal 31 Desember 2021 dan 2020 adalah lancar.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutupi kemungkinan kerugian yang timbul akibat bank garansi tidak tertagih adalah memadai.

10. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH

Seluruh kredit yang diberikan oleh Bank adalah dalam Rupiah.

a. Berdasarkan jenis dan kolektibilitas

9. OTHER RECEIVABLES

	2020	
	119.779	<i>Transfer receivables and ATM</i>
	12.153	<i>Others</i>
Jumlah	131.932	Total

As of December 31, 2021 and 2020, there were no other receivables from related parties.

The collectibility of all other receivables as of December 31, 2021 and 2020 was classified as current.

Management believes that the allowance for impairment losses on uncollectible bank guarantee is adequate.

10. LOANS AND SHARIA FINANCING

All loans provided by the Bank are in Rupiah.

a. By type and collectibility of loans

	2021						
	Jumlah/ <i>Total</i>	Lancar/ <i>Current</i>	Dalam perhatian khusus/ <i>Special mention</i>	Kurang lancar/ <i>Sub-standard</i>	Diragukan/ <i>Doubtful</i>	Macet/ <i>Loss</i>	
Modal kerja	9.668.644	8.079.285	441.640	21.042	30.559	1.096.118	<i>Working capital</i>
Investasi	5.825.776	5.523.597	61.653	6.491	1.614	232.421	<i>Investment</i>
Konsumsi	27.255.139	26.446.749	280.263	35.331	59.364	433.432	<i>Consumption</i>
Jumlah	42.749.559	40.049.631	783.556	62.864	91.537	1.761.971	Total
Dikurangi: Penyisihan kerugian penurunan nilai	(1.831.417)	(262.390)	(61.603)	(24.593)	(36.896)	(1.445.935)	<i>Less: Allowance for impairment losses</i>
Jumlah kredit yang diberikan, neto	40.918.142	39.787.241	721.953	38.271	54.641	316.036	Total loans, net

	2020						
	Jumlah/ <i>Total</i>	Lancar/ <i>Current</i>	Dalam perhatian khusus/ <i>Special mention</i>	Kurang lancar/ <i>Sub-standard</i>	Diragukan/ <i>Doubtful</i>	Macet/ <i>Loss</i>	
Modal kerja	8.599.891	7.133.134	478.450	18.179	33.145	936.983	<i>Working capital</i>
Investasi	6.050.859	5.734.721	70.344	3.070	4.584	238.140	<i>Investment</i>
Konsumsi	26.830.016	26.126.648	278.345	27.560	42.042	355.421	<i>Consumption</i>
Jumlah	41.480.766	38.994.503	827.139	48.809	79.771	1.530.544	Total
Dikurangi: Penyisihan kerugian penurunan nilai	(1.454.721)	(69.366)	(96.415)	(18.831)	(33.678)	(1.236.431)	<i>Less: Allowance for impairment losses</i>
Jumlah kredit yang diberikan, neto	40.026.045	38.925.137	730.724	29.978	46.093	294.113	Total loans, net

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10. LOANS AND SHARIA FINANCING (continued)

b. Berdasarkan sektor ekonomi dan kolektibilitas

b. By economic sector of loans and collectibility

	2021						
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss	
Rumah tangga	27.231.621	26.423.279	280.261	35.332	59.363	433.386	Household
Perdagangan besar dan eceran	5.182.583	4.148.550	312.423	14.324	19.525	687.761	Wholesale and retail trade
Konstruksi	3.927.187	3.677.795	17.865	172	-	231.355	Construction
Industri pengolahan	1.498.975	1.333.379	42.014	5.344	4.263	113.975	Processing industry
Jasa kemasyarakatan dan sosial budaya	1.608.671	1.540.341	15.817	1.064	780	50.669	Public and social culture services
Pertanian perburuan dan kehutanan	1.145.814	1.014.438	47.551	4.903	4.456	74.466	Agriculture, hunting and forestry
Perantara keuangan	1.028.472	977.010	19.064	1.290	2.280	28.828	Financial intermediaries
Akomodasi makanan dan minuman	259.225	226.905	19.987	257	183	11.893	Accommodation, food and beverage
Jasa pendidikan	167.426	164.053	1.100	-	-	2.273	Education services
Transportasi pergudangan dan komunikasi	165.041	143.317	5.539	-	-	16.185	Transportation, warehousing and communications
Jasa kesehatan dan kegiatan sosial	162.544	156.800	1.356	-	633	3.755	Health services and social activities
Real estate usaha persewaan dan jasa perusahaan	133.945	107.057	5.409	-	-	21.479	Real estate, business services and business ownership
Listrik gas dan air	81.950	32.472	137	-	-	49.341	Electricity, gas and water
Perikanan	69.820	61.741	2.208	178	27	5.666	Fishery
Pertambangan dan penggalian	58.021	15.512	12.047	-	27	30.435	Mining and quarrying
Jasa perorangan yang melayani rumah tangga	4.748	3.512	778	-	-	458	Individual services which serve households
Lainnya	23.516	23.470	-	-	-	46	Other
Jumlah	42.749.559	40.049.631	783.556	62.864	91.537	1.761.971	Total
Dikurangi: Penyisihan kerugian penurunan nilai	(1.831.417)	(262.390)	(61.603)	(24.593)	(36.896)	(1.445.935)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	40.918.142	39.787.241	721.953	38.271	54.641	316.036	Total loans, net

	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	Household
Perdagangan besar dan eceran	4.695.115	3.743.922	337.124	9.989	20.006	584.074	Wholesale and retail trade
Konstruksi	4.429.821	4.202.325	8.924	-	26	218.546	Construction
Industri pengolahan	1.222.617	1.061.001	51.354	1.026	7.036	102.200	Processing industry
Jasa kemasyarakatan dan sosial budaya	1.211.915	1.134.235	28.254	2.088	1.069	46.269	Public and social culture services
Pertanian perburuan dan kehutanan	1.060.119	947.002	46.728	2.331	2.646	61.412	Agriculture, hunting and forestry
Perantara keuangan	922.290	859.047	34.627	4.029	2.385	22.202	Financial intermediaries
Jasa kesehatan dan kegiatan sosial	290.912	282.861	3.128	1.276	890	2.757	Health services and social activities
Akomodasi makanan dan minuman	215.231	188.554	13.700	328	1.272	11.377	Accommodation, food and beverage
Transportasi pergudangan dan komunikasi	155.115	138.136	1.571	-	1.500	13.908	Transportation, warehousing and communications
Jasa pendidikan	125.459	123.007	39	-	-	2.413	Education services
Real estate usaha persewaan dan jasa perusahaan	108.574	76.106	11.441	65	589	20.373	Real estate, business services and business ownership
Listrik gas dan air	95.098	45.481	729	-	-	48.888	Electricity, gas and water
Pertambangan dan penggalian	51.000	14.645	2.498	39	-	33.818	Mining and quarrying
Perikanan	41.498	29.255	6.109	78	-	6.056	Fishery
Kegiatan yang belum jelas batasannya	36.136	36.091	-	-	-	45	Activity is still undefined
Jasa perorangan yang melayani rumah tangga	11.105	10.119	817	-	-	169	Individual services which serve households
Jumlah	41.480.766	38.994.503	827.139	48.809	79.771	1.530.544	Total
Dikurangi: Penyisihan kerugian penurunan nilai	(1.454.721)	(69.366)	(96.415)	(18.831)	(33.678)	(1.236.431)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	40.026.045	38.925.137	730.724	29.978	46.093	294.113	Total loans, net

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10. LOANS AND SHARIA FINANCING (continued)

c. Berdasarkan sisa umur kredit

c. Maturity of loans

	<u>2021</u>	<u>2020</u>	
Kurang dari 1 tahun	5.928.361	5.298.060	Less than 1 year
1 - 2 tahun	2.508.611	2.097.100	1 - 2 years
Lebih dari 2 - 5 tahun	11.203.641	10.929.635	More than 2 - 5 years
Lebih dari 5 tahun	23.108.946	23.155.971	Over 5 years
	<u>42.749.559</u>	<u>41.480.766</u>	
Dikurangi: Penyisihan kerugian penurunan nilai	(1.831.417)	(1.454.721)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	<u>40.918.142</u>	<u>40.026.045</u>	Total loans, net

d. Berdasarkan hubungan

d. By relationship

	<u>2021</u>						
	<u>Jumlah/ Total</u>	<u>Lancar/ Current</u>	<u>Dalam perhatian khusus/ Special mention</u>	<u>Kurang lancar/ Sub-standard</u>	<u>Diragukan/ Doubtful</u>	<u>Macet/ Loss</u>	
Pihak berelasi (Catatan 36)	182.889	180.241	2.648	-	-	-	Related party (Note 36)
Pihak ketiga	42.566.670	39.869.390	780.908	62.864	91.537	1.761.971	Third parties
Jumlah	42.749.559	40.049.631	783.556	62.864	91.537	1.761.971	Total
Dikurangi: Penyisihan kerugian penurunan nilai							Less: Allowance for impairment losses
Pihak berelasi	-	-	-	-	-	-	Related parties
Pihak ketiga	(1.831.417)	(262.390)	(61.603)	(24.593)	(36.896)	(1.445.935)	Third parties
Jumlah	(1.831.417)	(262.390)	(61.603)	(24.593)	(36.896)	(1.445.935)	Total
Jumlah kredit yang diberikan, neto	<u>40.918.142</u>	<u>39.787.241</u>	<u>721.953</u>	<u>38.271</u>	<u>54.641</u>	<u>316.036</u>	Total loans, net
	<u>2020</u>						
	<u>Jumlah/ Total</u>	<u>Lancar/ Current</u>	<u>Dalam perhatian khusus/ Special mention</u>	<u>Kurang lancar/ Sub-standard</u>	<u>Diragukan/ Doubtful</u>	<u>Macet/ Loss</u>	
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	-	-	-	-	-	-	Related parties
Pihak ketiga	(1.454.721)	(69.366)	(96.415)	(18.831)	(33.678)	(1.236.431)	Third parties
Jumlah	(1.454.721)	(69.366)	(96.415)	(18.831)	(33.678)	(1.236.431)	Total
Jumlah kredit yang diberikan, neto	<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 loans, net

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10. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

d. Berdasarkan hubungan (lanjutan)

Kredit yang diberikan kepada pihak berelasi, termasuk pinjaman kepada manajemen kunci. Pinjaman kepada manajemen kunci pada tanggal 31 Desember 2021 dan 2020, masing-masing sebesar Rp112.529 dan Rp115.072 (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.

e. Tingkat bunga tahunan

Tingkat bunga kredit yang diberikan dalam Rupiah pada tanggal 31 Desember 2021 dan 2020, masing-masing sebesar 10,50%-12,75%.

f. Kredit sindikasi

Keikutsertaan Bank sebagai anggota sindikasi dengan persentase penyertaan pada tanggal 31 Desember 2021 dan 2020, masing-masing berkisar antara 2,64%-63,89% dari total pinjaman sindikasi.

g. Kredit yang direstrukturisasi

Restrukturisasi kredit pada tanggal 31 Desember 2021 dan 2020, adalah masing-masing sebesar Rp3.301.445 dan Rp1.990.415.

	2021	2020
Perpanjangan waktu kredit	334.513	201.562
Perpanjangan waktu kredit dan penyesuaian suku bunga	443.783	442.475
Perpanjangan waktu kredit dan skema lain	2.523.148	1.346.378
Jumlah	3.301.445	1.990.415

Bank telah melakukan restrukturisasi kredit untuk debitur yang terdampak pandemi covid-19 sesuai dengan POJK No. 11/POJK.03/2020 tanggal 13 Maret 2020 tentang Stimulus Perekonomian Nasional sebagai Kebijakan *Countercyclical* Dampak Penyebaran *Coronavirus Disease* 2019.

h. Batas Maksimum Pemberian Kredit (BMPK)

Pada tanggal 31 Desember 2021 dan 2020, Bank telah memenuhi ketentuan BMPK.

10. LOANS AND SHARIA FINANCING (continued)

d. *By relationship (continued)*

Loans to related parties include loans to key management. Loans to key management as of December 31, 2021 and 2020 amounted to Rp112,529 and Rp115,072, 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. *Annual interest rates*

The annual interest rates of loans in Rupiah as of December 31, 2021 and 2020 are 10.50%-12.75% respectively.

f. *Syndicated loans*

The share of the Bank in syndicated loans as of December 31, 2021 and 2020 ranged from 2.64% - 63.89%, respectively, from total of syndication loan.

g. *Restructured loans*

The restructured loans as of December 31, 2021 and 2020 amounted to Rp3,301,445 and Rp1,990,415.

*Exsistension of loan period
Exsistension of loan period and interest
rate adjusment
Exsistension of loan period and other schemes
Total*

The Bank has restructured loan for debtors affected by the covid-19 pandemic in accordance with POJK No. 11/POJK.03/2020 dated March 13, 2020 regarding National Economic Stimulus as Countercyclical Policy Impact of Coronavirus Disease Spread 2019.

h. *Legal Lending Limits (BMPK)*

As of December 31, 2021 and 2020, the Bank was in compliance with Bank Indonesia's legal lending limits.

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10. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

10. LOANS AND SHARIA FINANCING (continued)

- i. Dalam pinjaman termasuk saldo pembiayaan yang diberikan berdasarkan prinsip Syariah dari unit usaha Syariah pada tanggal 31 Desember 2021 dan 2020, adalah sebagai berikut:

- i. The amounts of loans including financing provided based on Sharia principles from Sharia unit as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>	
Murabahah	864.013	796.351	Murabahah
Musyarakah	689.141	653.189	Musyarakah
Mudharabah	184.224	132.951	Mudharabah
Qardh	24.972	24.589	Qardh
Ijarah	18	279	Ijarah
Jumlah	<u>1.762.368</u>	<u>1.607.359</u>	Total

- j. Kredit tidak lancar

- j. Non-performing loans (NPL)

	<u>2021</u>	<u>2020</u>	
Jumlah NPL	1.916.372	1.659.124	Total NPL
Rasio NPL bruto	4,48%	4,00%	Ratio of gross NPL
Rasio NPL neto	0,96%	0,89%	Ratio of net NPL

- k. Jumlah kredit yang diberikan dan pembiayaan syariah dijamin pada tanggal 31 Desember 2021 dan 2020, masing-masing sebesar Rp177.300 dan Rp240.934 dengan jaminan berupa deposito berjangka masing-masing sebesar Rp87.191 dan Rp93.023. (Catatan 16c).

- k. Total loans and sharia financing pledged as collateral as of December 31, 2021 and 2020 were Rp177,300 and Rp240,934, respectively with collateral of time deposit amounting Rp87,191 and Rp93,023. (Note 16c).

- l. Kredit yang diberikan dan pembiayaan syariah yang dihapusbukukan untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020, masing-masing adalah sebesar Rp60.568 dan Rp92.085.

- l. Loans and sharia financing written-off for the year ended December 31, 2021 and 2020 amounted to Rp60,568 and Rp92.085, respectively.

- m. Perubahan penyisihan kerugian penurunan nilai adalah sebagai berikut:

- m. The changes in the allowance for impairment losses are as follows:

Cadangan kerugian penurunan nilai - kredit yang diberikan/ <i>Allowance for impairment losses - loans</i>	2021			Pembiayaan syariah/ <i>Sharia financing</i>	Jumlah/ <i>Total</i>
	Tahap/ <i>Stage 1</i>	Tahap/ <i>Stage 2</i>	Tahap/ <i>Stage 3</i>		
Saldo awal tahun/ <i>Beginning balance of year</i>	64.096	69.520	1.272.262	48.843	1.454.721
Perubahan aset keuangan yang diakui pada laporan laba rugi/ <i>Change due to financial assets recognize in the statement of profit or loss that have:</i>					
Transfer ke tahap 1/ <i>Transfer to stage 1</i>	101.862	(27.402)	(74.460)	-	-
Transfer ke tahap 2/ <i>Transfer to stage 2</i>	(2.490)	8.945	(6.455)	-	-
Transfer ke tahap 3/ <i>Transfer to stage 3</i>	(5.834)	(22.321)	28.155	-	-
Penghapusbukuan/ <i>Write-off</i>	(19.912)	(10.652)	(22.186)	(3.671)	(56.421)
Dibebankan ke laporan laba rugi/ <i>Charge to statement of profit or loss</i>	(121.915)	55.020	461.755	38.257	433.117
Saldo 31 Desember 2021/ <i>Balance at December 31, 2021</i>	15.807	73.110	1.659.071	83.429	1.831.417

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10. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

10. LOANS AND SHARIA FINANCING (continued)

m. Perubahan penyisihan kerugian penurunan nilai adalah sebagai berikut (lanjutan):

m. The changes in the allowance for impairment losses are as follows (continued):

2020					
Cadangan kerugian penurunan nilai - kredit yang diberikan/ <i>Allowance for impairment losses - loans</i>	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ <i>Beginning balance of year</i>	101.672	66.546	767.280	44.636	980.134
Perubahan aset keuangan yang diakui pada laporan laba rugi: <i>Change due to financial assets recognize in the statement of profit or loss that have:</i>					
Transfer ke tahap 1/ <i>Transfer to stage 1</i>	48.573	(8.387)	(40.186)	-	-
Transfer ke tahap 2/ <i>Transfer to stage 2</i>	(2.657)	2.940	(283)	-	-
Transfer ke tahap 3/ <i>Transfer to stage 3</i>	(28.945)	(54.821)	83.766	-	-
Penghapusbukuan/ <i>Write-off</i>	(23.002)	(11.190)	(44.875)	(13.018)	(92.085)
Dibebankan ke laporan laba rugi/ <i>Charge to statement of profit or loss</i>	(31.545)	74.432	506.560	17.225	566.672
Saldo 31 Desember 2020/ <i>Balance at December 31, 2020</i>	64.096	69.520	1.272.262	48.843	1.454.721

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 Rp1.762.015 (individual) dan Rp69.402 (kolektif) pada tanggal 31 Desember 2021 dan Rp1.156.814 (individual) dan Rp297.907 (kolektif) pada tanggal 31 Desember 2020.

The balance of allowance for impairment losses amounted to Rp1,762,015 (individual) and Rp69,402 (collective) as of December 31, 2021 and Rp1,156,814 (individual) and Rp297,907 (collective) as of December 31, 2020.

Beban penyisihan kerugian penurunan nilai adalah sebesar Rp433.117 dan Rp566.672 pada tanggal 31 Desember 2021 dan 2020 (Catatan 29).

Provision for impairment losses amounted to Rp433,117 and Rp566,672 as of December 31, 2021 and 2020 (Note 29).

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.

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10. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

10. LOANS AND SHARIA FINANCING (continued)

n. Mutasi nilai tercatat bruto kredit yang diberikan dan pembiayaan syariah:

n. Changes in the gross carrying amount of loans and sharia financing:

2021					
Nilai tercatat bruto kredit yang diberikan/ Gross carrying amount of the loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	37.795.946	455.354	1.622.107	1.607.359	41.480.766
Perubahan aset keuangan/ Change due to financial assets					
Transfer ke tahap 1/Transfer to stage 1	277.337	(181.068)	(96.269)	-	-
Transfer ke tahap 2/Transfer to stage 2	(361.628)	377.740	(16.112)	-	-
Transfer ke tahap 3/Transfer to stage 3	(577.581)	(140.620)	718.201	-	-
Aset keuangan yang baru atau dibeli/ New financial assets originated or purchased	15.627.968	215.232	165.558	158.680	16.167.438
Modifikasi arus kas kontraktual atas aset keuangan/ Modification of contractual cashflow of financial assets	(2.475.943)	(88.778)	(364.306)	-	(2.929.027)
Perubahan akrual bunga/Change in interest accrual	(11.947.009)	(77.486)	111.297	-	(11.913.198)
Penghapusbukuan/Write-off	(19.912)	(10.652)	(22.185)	(3.671)	(56.420)
Saldo 31 Desember 2021/ Balance at December 31, 2021	38.319.178	549.722	2.118.291	1.762.368	42.749.559
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	Jumlah/ 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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10. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

- o. Rasio kredit usaha mikro, kecil dan menengah (UMKM) terhadap jumlah kredit yang diberikan pada tanggal-tanggal 31 Desember 2021 dan 2020, masing-masing adalah sebesar 24,70% dan 22,41%.
- p. Dalam rangka percepatan Pemulihan Ekonomi Nasional (PEN) sesuai Peraturan Menteri Keuangan No. 70/PMK.05/2020, Pemerintah melakukan Penempatan Uang Negara kepada perbankan salah satunya Bank, dalam bentuk deposito dengan tenor 6 (enam) bulan sebesar Rp2.000.000 pada tanggal 14 Agustus 2020 sampai 10 Februari 2021. Dana pemerintah tersebut telah disalurkan dalam bentuk kredit sebesar Rp8.092.192 sampai dengan tanggal 10 Februari 2021, dan selanjutnya dana akan dikembalikan kepada Pemerintah.

Bank juga berpartisipasi dalam penyaluran subsidi bunga dari Pemerintah bagi debitur UMKM dan subsidi bunga tambahan untuk Kredit Usaha Rakyat (KUR) sesuai dengan PMK No. 85/PMK.05/2020 untuk periode Mei 2020.

Besaran subsidi bunga tersebut adalah sebagai berikut:

1. Plafon kredit kurang dari atau sama dengan Rp500, subsidi bunga yang diberikan sebesar 6% selama 3 (tiga) bulan pertama dan 3% selama tiga bulan berikutnya.
2. Plafon kredit lebih dari Rp500 sampai dengan Rp10.000, subsidi bunga yang diberikan sebesar 3% selama 3 (tiga) bulan pertama dan 2% selama tiga bulan berikutnya.

Sampai dengan tanggal 31 Desember 2021, Bank telah menerima subsidi bunga dari Pemerintah untuk disalurkan kepada debitur UMKM sebesar Rp2.778.

10. LOANS AND SHARIA FINANCING (continued)

- o. Ratio of micro, small and medium scale enterprises (UMKM) credit to total loans as at December 31, 2021 and 2020 were 24.70% and 22.41% respectively.
- p. In order to accelerate National Economic Recovery Program (PEN) based on PMK No. 70/PMK.05/2020, Government place their funds in banks, which the Bank is one of them, in time deposit with 6 (six) months tenor contract amounted to Rp2,000,000 on August 14, 2020 until February 10, 2021. The Government fund has been distributed in form of loan amounted to Rp8,092,192 until February 10, 2021 and the fund will be returned to Government.

Bank also participate in channeling interest subsidy from Government for Small Medium Enterprise (SME) debtors and additional interest subsidy for Kredit Usaha Rakyat (KUR) program based on PMK No. 85/PMK.05/2020 for period May, 2020.

The interest subsidies will cover loan interest are as follows:

1. The credit limit is less than or equal to Rp500, the interest subsidy is 6% for the first 3 ((three) months and 3% for the following three months.
2. The credit limit is more than 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, 2021, the Bank has distributed interest subsidies for SME debtors amounted to Rp2,778.

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11. PENDAPATAN BUNGA YANG MASIH AKAN DITERIMA

	2021	
	Jumlah nasional mata uang asing/ <i>National amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>
Rupiah:		
Kredit yang diberikan	426.995	
Lain-lain	366.895	
Mata uang asing:		
Dolar Amerika Serikat	702	10
Jumlah pendapatan bunga yang masih akan diterima	793.900	

11. ACCRUED INTEREST INCOME

	2020		
	Jumlah nasional mata uang asing/ <i>National amount foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ <i>Rupiah equivalent</i>	
Rupiah:			<i>Rupiah:</i>
			<i>Loans</i>
			<i>Others</i>
Mata uang asing:			<i>Foreign currencies:</i>
Dolar Amerika Serikat	702	10	<i>United States Dollar</i>
Jumlah pendapatan bunga yang masih akan diterima	555.020		<i>Total accrued interest income</i>

12. BIAYA DIBAYAR DIMUKA

	2021
Asuransi tunjangan hari tua	82.296
Asuransi lainnya	10.816
Sewa dibayar dimuka	1.152
Lainnya	39.936
Jumlah	134.200

Sewa dibayar dimuka merupakan sewa atas gedung kantor cabang dan rumah dinas.

12. PREPAID EXPENSES

	2020	
	119.556	<i>Mutual aid pension insurance</i>
	2.305	<i>Other insurance</i>
	22.962	<i>Prepaid rent</i>
	83.109	<i>Others</i>
Jumlah	227.932	<i>Total</i>

Prepaid rent represents rent of the branch office buildings and official house.

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13. ASET TETAP

13. FIXED ASSETS

		2021						
	Saldo awal/ <i>Beginning balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Revaluasi/ <i>Revaluation</i>	Saldo akhir/ <i>Ending balance</i>		
Biaya perolehan							Cost	
Tanah	861.658	-	-	-	(4.665)	856.993	Land	
Bangunan	203.052	314	-	-	-	203.366	Buildings	
Peralatan kantor	515.595	30.729	-	-	-	546.324	Office equipment	
Kendaraan bermotor	46.573	-	12.819	-	-	33.754	Motor vehicles	
	1.626.878	31.043	12.819	-	(4.665)	1.640.437		
Aset dalam penyelesaian	176	415	-	-	-	591	Construction in progress	
Aset hak guna	255.518	39.380	1.916	(27.747)	-	265.235	Right of use assets	
	1.882.572	70.838	14.735	(27.747)	(4.665)	1.906.263		
Akumulasi penyusutan							Accumulated depreciation	
Bangunan	97.695	9.391	-	-	-	107.086	Buildings	
Peralatan kantor	463.680	28.401	-	-	-	492.081	Office equipment	
Kendaraan bermotor	45.305	-	12.215	-	-	33.090	Motor vehicles	
	606.680	37.792	12.215	-	-	632.257		
Aset hak guna	69.912	76.143	1.916	(14.344)	-	129.795	Right of use assets	
	676.592	113.935	14.131	(14.344)	-	762.052		
Nilai buku neto	1.205.980					1.144.211	Net book value	
		2020						
	Saldo awal/ <i>Beginning balance</i>	Penambahan/ <i>Additions</i>	Pengurangan/ <i>Deduction</i>	Reklasifikasi/ <i>Reclassification</i>	Revaluasi/ <i>Revaluation</i>	Saldo akhir/ <i>Ending balance</i>		
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	

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13. ASET TETAP (lanjutan)

Tabel beban hak guna yang dilaporkan dalam laporan laba rugi dan penghasilan komprehensif lain:

13. FIXED ASSETS (continued)

Right of use assets expense that reported on Statement of Profit or Loss and Other Comprehensive Income:

	2020			
	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 2021 dan 2020, masing-masing sebesar Rp113.934 dan Rp109.944 (Catatan 31).

Depreciation expense for years ended December 31, 2021 and 2020 amounted to Rp113,934 and Rp109,944 respectively (Note 31).

Pada tanggal 31 Desember 2020, Bank melakukan penilaian kembali (revaluasi) atas aset tetap tanah untuk tujuan akuntansi. Untuk tujuan akuntansi, Bank telah mengubah kebijakan akuntansi untuk pengukuran tanah menjadi model revaluasian dari sebelumnya menggunakan model biaya. Kenaikan nilai tercatat aset tetap tanah sebesar Rp5.921. Pada tanggal 31 Desember 2021, Bank mencatat penurunan dari revaluasi aset tetap sebesar (Rp7.351) Penurunan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain.

On December 31, 2020, 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 Rp5,921. As of December 31, 2021, the Bank recorded decrease from revaluation amounting to (Rp7,351) The decrease 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 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.

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13. ASET TETAP (lanjutan)

Berdasarkan laporan penilaian dari Kantor Jasa Penilai Publik (KJPP) Satri Iskandar Setiawan & Rekan tanggal 14 Januari 2022 dan 26 Februari 2021 nilai wajar atas tanah yang dimiliki Bank pada tanggal 31 Desember 2021 dan 2020 adalah sebesar Rp1.261.746 dan Rp1.250.181.

Pada tanggal 31 Desember 2021 dan 2020, jika tanah diukur dengan metode biaya, nilai tercatatnya sebesar Rp854.306 dan Rp861.657.

Aset tetap, kecuali tanah, pada tanggal 31 Desember 2021 dan 2020 diasuransikan terhadap risiko kebakaran, kerusakan, kecelakaan, dan pencurian dengan jumlah pertanggungan masing-masing sebesar Rp3.337.543 dan Rp3.337.644. Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset yang dipertanggungkan.

Manajemen berkeyakinan bahwa tidak terdapat penurunan nilai aset tetap yang dimiliki Bank sebagaimana dimaksud dalam PSAK 48 (Revisi 2014) selama tahun berjalan, karena manajemen berpendapat bahwa nilai tercatat aset tetap tidak melebihi estimasi nilai yang dapat diperoleh kembali.

Rincian aset dalam penyelesaian adalah sebagai berikut:

	Jenis aset/ Type of asset	Persentase penyelesaian/ Percentage of completion	Akumulasi biaya/ Accumulated Cost	Estimasi Penyelesaian/ Estimated Completion
31 Desember/ December 31, 2021	Bangunan/ <i>Buildings</i>	93%	591	2021
31 Desember/ December 31, 2020	Bangunan/ <i>Buildings</i>	72%	176	2021

Jumlah tercatat bruto dari aset tetap yang telah disusutkan penuh namun masih digunakan dalam usaha adalah sebagai berikut:

	2021	2020	
Bangunan	17.546	17.546	<i>Buildings</i>
Peralatan kantor	359.866	359.516	<i>Office equipment</i>
Kendaraan bermotor	40.396	40.395	<i>Motor vehicle</i>
Jumlah	417.808	417.457	<i>Total</i>

Pada tanggal 31 Desember 2021 dan 2020, tidak terdapat aset tetap yang dijadikan jaminan.

13. FIXED ASSETS (continued)

Based on appraisal report of "Kantor Jasa Penilai Publik (KJPP) Satri Iskandar Setiawan & Partner dated January 14, 2022 and February 26, 2021 the valuation of land owned by the Banks as of December 31, 2021 and 2020 amounted Rp1,261,746 and Rp1,250,181, respectively.

On December 31, 2021 and 2020, if land is measured by cost method, its carrying value is Rp854,306 and Rp861,657.

All fixed assets, except land were insured against fire, riot, accident, and theft risks as of December 31, 2021 and 2020 for insurance coverage amounting to Rp3,337,543 and Rp3,337,644, respectively. Management believes that the insurance coverage is adequate to cover possible losses form the assets for insured risks.

Management believes that there is no impairment in the value of fixed assets owned by the Bank during the year as described in PSAK 48 (Revised 2014), because management believes that the carrying amounts of fixed assets do not exceed the estimated recoverable amount.

The details of construction in progress are as follows:

The gross carrying amount of fixed assets that have been fully depreciated but still in use in operations are as follows:

As of December 31, 2021 and 2020, there were no fixed assets pledged as collateral.

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13. ASET TETAP (lanjutan)

Aset tetap yang telah dihapusbuku, kemudian dilakukan penjualan melalui lelang dengan rincian sebagai berikut:

	<u>2021</u>	<u>2020</u>
Harga jual	4.556	2.670
Nilai buku	604	-
Laba penjualan aset tetap	<u>3.952</u>	<u>2.670</u>

Pada 31 Desember 2021 dan 2020 terdapat Hak Guna Lahan yang telah jatuh tempo dan tidak dapat diperpanjang kembali sebesar Rp146.065 dan Rp10.

14. ASET LAIN-LAIN

	<u>2021</u>	<u>2020</u>
Beban yang ditangguhkan	109.324	39.114
Persediaan alat tulis kantor dan barang cetakan	21.891	21.536
Surat ketetapan pajak lebih bayar	-	283.450
Lainnya, neto	10.020	11.998
Penyisihan penurunan nilai realisasi bersih	(25.460)	-
Jumlah	<u>115.775</u>	<u>356.098</u>

Beban yang ditangguhkan merupakan beban atas biaya pendirian kantor, renovasi gedung dan jaringan telekomunikasi. Beban ditangguhkan diamortisasi selama masa sewa tanah atau gedung dengan menggunakan metode garis lurus.

Lainnya termasuk biaya perpanjangan hak atas tanah yang ditangguhkan dan diamortisasi selama masa manfaat hak atas tanah dengan menggunakan metode garis lurus.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat aset lain-lain tidak melebihi estimasi nilai yang dapat diperoleh kembali.

Perubahan penyisihan penurunan nilai realisasi bersih adalah sebagai berikut:

	<u>2021</u>
Saldo awal	-
Penyisihan selama tahun berjalan talangan asuransi	25.460
Saldo akhir	<u>25.460</u>

13. FIXED ASSETS (continued)

Fixed assets that have been write-off, then do the sale through auction as follows:

	<u>2021</u>	<u>2020</u>	
	4.556	2.670	Proceed
	604	-	Book Value
Laba penjualan aset tetap	<u>3.952</u>	<u>2.670</u>	Gain from sale of fixed assets

In December 31, 2021 and 2020, there is a land use right that has matured and cannot be extended again, amounting to Rp146,065 and Rp10.

14. OTHER ASSETS

	<u>2021</u>	<u>2020</u>	
Beban yang ditangguhkan	109.324	39.114	Deffered charges
Persediaan alat tulis kantor dan barang cetakan	21.891	21.536	Office stationery and printed form
Surat ketetapan pajak lebih bayar	-	283.450	Overpayment tax assessment letter
Lainnya, neto	10.020	11.998	Others, net
Penyisihan penurunan nilai realisasi bersih	(25.460)	-	Allowance for decline in net realizable value
Jumlah	<u>115.775</u>	<u>356.098</u>	Total

Deffered charges represent costs related to the establishment of offices, building renovations and telecommunication network. Deffered charges are amortized over the land or building lease period using the straight-line method.

Others included deferred cost related to the extension of the landright and amortized over the period of the related landright using the straight-line method.

Management believes that there is no impairment in the value of other assets do not exceed the estimated recoverable amount.

The movements in the allowance for decline in net realizable value are as follows:

	<u>2021</u>	
Saldo awal	-	Beginning balance
Penyisihan selama tahun berjalan talangan asuransi	25.460	Provision for the current year of insurance bailout
Saldo akhir	<u>25.460</u>	Ending balance

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15. LIABILITAS SEGERA

	<u>2021</u>
Transfer, inkaso, kliring	172.987
Beban sudah efektif harus dibayar	103.364
Penerimaan yang akan diperhitungkan	116.659
Lain-lain	200.865
Jumlah	<u>593.875</u>

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 2021 dan 2020 adalah dalam mata uang Rupiah.

16. SIMPANAN DARI NASABAH

a. Berdasarkan segmen

	<u>2021</u>
Rupiah	
Konvensional	
Tabungan	
- Simpeda	16.010.311
- Siklus	4.659.197
- Tabunganku	3.469.603
- Simpanan Pelajar	61.275
- Haji	20.942
- Siklus Nelayan	469
	<u>24.221.797</u>
Giro	
- Pemerintah Daerah	16.440.199
- Umum	9.416.895
	<u>25.857.094</u>
Deposito berjangka	
- 1 bulan	8.528.304
- 2 bulan	175.702
- 3 bulan	13.500.564
- 6 bulan	286.438
- 12 bulan	8.233.273
- 18 bulan	130
- 24 bulan	4.477
- Jatuh tempo	892
- Deposito <i>on call</i>	288.190
	<u>31.017.970</u>
Jumlah konvensional	<u>81.096.861</u>

15. OBLIGATIONS DUE IMMEDIATELY

	<u>2020</u>	
	192.669	<i>Transfer and cheques pending collection and clearing</i>
	71.014	<i>Amount involving expenses payable</i>
	77.612	<i>Acceptance pending settlement</i>
	143.539	<i>Others</i>
Jumlah	<u>484.834</u>	<i>Total</i>

Acceptance pending settlement represents funds received for the payment of on-line tax, payment of telephone, payment of land and building tax and others.

Amounts involving expenses payable represent accrued expenses of electricity, telephone, social security ("BPJS") and others.

Other liabilities include control account, purchase payable and others.

All of obligations due immediately as of December 31, 2021 and 2020 are in Rupiah currency.

16. DEPOSITS FROM CUSTOMERS

a. Based on segment

	<u>2020</u>	
Rupiah		<i>Rupiah</i>
Konvensional		<i>Conventional</i>
Tabungan		<i>Savings</i>
- Simpeda	15.148.485	<i>Simpeda -</i>
- Siklus	3.999.906	<i>Siklus -</i>
- Tabunganku	3.015.202	<i>Tabunganku -</i>
- Simpanan Pelajar	50.945	<i>Simpanan Pelajar -</i>
- Haji	22.838	<i>Haji -</i>
- Siklus Nelayan	444	<i>Siklus Nelayan -</i>
	<u>22.237.820</u>	
Giro		<i>Current accounts</i>
- Pemerintah Daerah	14.112.454	<i>Municipal District -</i>
- Umum	6.921.139	<i>Public -</i>
	<u>21.033.593</u>	
Deposito berjangka		<i>Time deposits</i>
- 1 bulan	17.287.971	<i>1 month -</i>
- 2 bulan	241.063	<i>2 months -</i>
- 3 bulan	3.509.162	<i>3 months -</i>
- 6 bulan	2.074.869	<i>6 months -</i>
- 12 bulan	85.881	<i>12 months -</i>
- 18 bulan	130	<i>18 months -</i>
- 24 bulan	3.449	<i>24 months -</i>
- Jatuh tempo	429	<i>Due Date -</i>
- Deposito <i>on call</i>	57.525	<i>Deposits on call -</i>
	<u>23.260.479</u>	
Jumlah konvensional	<u>66.531.892</u>	<i>Total conventional</i>

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16. SIMPANAN DARI NASABAH (lanjutan)

a. Berdasarkan segmen (lanjutan)

	<u>2021</u>	<u>2020</u>
Syariah		
Tabungan		
- Haji Amanah	275.510	263.577
- Barokah	293.916	261.496
- Tabunganku	52.767	45.485
- Tabungan Barokah Sejahtera	1.522	7.791
- Simpanan Pelajar	5.076	5.439
- Umroh Amanah	4.153	3.882
- Tabungan Rencana	1.190	983
- Tabungan Pensiun	20	26
	<u>634.154</u>	<u>588.679</u>
Giro		
- Wadiah Pemerintah	1.523	1.015
- Wadiah swasta	108.252	87.649
- Mudharabah	841	-
- Wadiah perorangan	2.920	1.081
	<u>113.536</u>	<u>89.745</u>
Deposito		
- 1 bulan	1.058.964	947.674
- 3 bulan	120.764	180.679
- 6 bulan	4.624	2.713
- 12 bulan	53.752	16.946
	<u>1.238.104</u>	<u>1.148.012</u>
Jumlah syariah	<u>1.985.794</u>	<u>1.826.436</u>
Jumlah Rupiah	<u>83.082.655</u>	<u>68.358.328</u>
Mata uang asing		
Konvensional		
Giro		
- Umum	5.779	6.077
Tabungan		
- Siklus	42.827	47.798
	<u>48.606</u>	<u>53.875</u>
Deposito berjangka		
- 1 bulan	65.383	49.257
- 3 bulan	4.429	3.573
- 6 bulan	744	3.169
- 12 bulan	50	78
	<u>70.606</u>	<u>56.077</u>
Jumlah mata uang asing	<u>119.212</u>	<u>109.952</u>
Jumlah	<u>83.201.867</u>	<u>68.468.280</u>

16. DEPOSITS FROM CUSTOMERS (continued)

a. Based on segment (continued)

Sharia
<i>Savings</i>
<i>Haji Amanah -</i>
<i>Barokah -</i>
<i>Tabunganku -</i>
<i>Barokah Sejahtera Saving -</i>
<i>Simpanan Pelajar -</i>
<i>Umroh Amanah -</i>
<i>Rencana Saving -</i>
<i>Retired Saving -</i>
<i>Current accounts</i>
<i>Government wadiah -</i>
<i>Private wadiah -</i>
<i>Mudharabah -</i>
<i>Individual wadiah -</i>
<i>Deposits</i>
<i>1 month -</i>
<i>3 months -</i>
<i>6 months -</i>
<i>12 months -</i>
<i>Total sharia</i>
<i>Total Rupiah</i>
<i>Foreign currencies</i>
<i>Conventional</i>
<i>Current accounts</i>
<i>Public -</i>
<i>Savings</i>
<i>Siklus -</i>
<i>Time deposits</i>
<i>1 month -</i>
<i>3 months -</i>
<i>6 months -</i>
<i>12 months -</i>
<i>Total foreign currencies</i>
<i>Total</i>

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16. SIMPANAN DARI NASABAH (lanjutan)

16. DEPOSITS FROM CUSTOMERS (continued)

b. Berdasarkan hubungan dan mata uang

b. Based on relationship and currencies

	2021		2020		
	Jumlah nasional mata uang asing/ National amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	Jumlah nasional mata uang asing/ National amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
Pihak berelasi					Related parties
<u>Rupiah</u>					<u>Rupiah</u>
Konvensional					Conventional
Giro	17.271.753		13.787.483		Current accounts
Tabungan	60.918		61.488		Savings
Deposito berjangka	384.574		522.226		Time deposits
Syariah					Sharia
Giro	-		1		Current accounts
Tabungan	939		1.352		Savings
Deposito berjangka	2.097		344		Time deposits
<u>Mata uang asing</u>					<u>Foreign currencies</u>
Konvensional					Conventional
Giro	43.289	617	43.363	609	Current accounts
Tabungan	35.571	507	64.763	908	Saving accounts
Deposito berjangka dan deposito on call	94.787	1.351	51.341	721	Time deposits and deposits on call
Jumlah pihak berelasi (Catatan 36)		<u>17.722.756</u>		<u>14.375.132</u>	Total related parties (Note 36)
Pihak ketiga					Third parties
<u>Rupiah</u>					<u>Rupiah</u>
Konvensional					Conventional
Giro	8.585.341		7.246.110		Current accounts
Tabungan	24.160.877		22.176.332		Savings
Deposito berjangka dan deposito on call	30.633.396		22.738.253		Time deposits and deposits on call
Syariah					Sharia
Giro	113.536		89.744		Current accounts
Tabungan	633.216		587.327		Savings
Deposito berjangka dan deposito on call	1.236.007		1.147.668		Time deposits and deposits on call
<u>Mata uang asing</u>					<u>Foreign currencies</u>
Giro	362.169	5.162	390.755	5.468	Current accounts
Tabungan	2.969.270	42.321	3.420.982	46.890	Savings
Deposito berjangka dan deposito on call	4.858.977	69.255	3.982.610	55.356	Time deposits and deposits on call
Jumlah pihak ketiga		<u>65.479.111</u>		<u>54.093.148</u>	Total third parties
Total		<u>83.201.867</u>		<u>68.468.280</u>	Total

Simpanan dari pihak berelasi tersebut merupakan simpanan dari Pemerintah Daerah dan manajemen kunci.

These deposits from related parties represent deposits from Regional Governments and key management personnel.

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16. SIMPANAN DARI NASABAH (lanjutan)

b. Berdasarkan hubungan dan mata uang (lanjutan)

1) Tingkat suku bunga rata-rata per tahun giro terdiri dari:

	<u>2021</u>	<u>2020</u>
Rupiah	0,86%	1,00%
Mata uang asing	0,17%	0,19%

Tingkat bunga rata-rata per tahun untuk giro dari adalah sama antara pihak berelasi dengan pihak ketiga.

Pada tanggal 31 Desember 2021 dan 2020, tidak terdapat giro yang diblokir dan dijadikan jaminan kredit.

2) Tingkat suku bunga rata-rata per tahun tabungan terdiri dari:

	<u>2021</u>	<u>2020</u>
Tabungan		
- Simpeda	1,08%	1,49%
- Siklus	1,71%	1,27%
- Haji	0,77%	1,00%
- Tabunganku	0,87%	0,89%

Tingkat bunga rata-rata per tahun tabungan untuk pihak berelasi adalah sama dengan pihak ketiga.

Pada tanggal 31 Desember 2021 dan 2020, tidak terdapat tabungan yang diblokir dan dijadikan jaminan kredit.

16. DEPOSITS FROM CUSTOMERS (continued)

b. Based on relationship and currencies (continued)

1) The average interest rates per annum on current accounts consist of:

	<u>2021</u>	<u>2020</u>	
Rupiah	0,86%	1,00%	Rupiah
Foreign currencies	0,17%	0,19%	Foreign currencies

The average interest rates per annum on current accounts with related parties are similar to those for third parties.

As of December 31, 2021 and 2020, there were no current accounts held under liens and used as security.

2) The average interest rates per annum on savings consist of:

	<u>2021</u>	<u>2020</u>	
Savings			Savings
Simpeka -	1,08%	1,49%	Simpeka -
Siklus -	1,71%	1,27%	Siklus -
Haji -	0,77%	1,00%	Haji -
Tabunganku -	0,87%	0,89%	Tabunganku -

The average interest rates per annum on savings for related parties are similar to those for third parties.

As of December 31, 2021 and 2020, there were no savings held under liens and used as collateral.

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16. SIMPANAN DARI NASABAH (lanjutan)

b. Berdasarkan hubungan dan mata uang (lanjutan)

3). Rincian deposito berjangka dan deposito *on call*:

Klasifikasi deposito berdasarkan jangka waktu sebagai berikut:

	<u>2021</u>	<u>2020</u>	
Rupiah			Rupiah
- 1 bulan	9.587.268	18.235.645	1 month -
- 2 bulan	175.702	241.063	2 months -
- 3 bulan	13.621.328	3.689.841	3 months -
- 6 bulan	291.062	2.077.582	6 months -
- 12 bulan	8.287.025	102.827	12 months -
- 18 bulan	130	130	18 months -
- 24 bulan	4.477	3.449	24 months -
- Jatuh Tempo	892	429	Matured -
- Deposito <i>on call</i>	288.190	57.525	Deposits on call -
	<u>32.256.074</u>	<u>24.408.491</u>	
Mata uang asing			Foreign currencies
- 1 bulan	65.383	49.257	1 month -
- 3 bulan	4.429	3.573	3 months -
- 6 bulan	744	3.169	6 months -
- 12 bulan	50	78	12 months -
	<u>70.606</u>	<u>56.077</u>	
Jumlah	<u>32.326.680</u>	<u>24.464.568</u>	Total

Klasifikasi deposito berdasarkan sisa umur sampai dengan saat jatuh tempo:

	<u>2021</u>	<u>2020</u>	
Rupiah			Rupiah
- Kurang dari atau sama dengan 1 bulan	9.587.268	18.235.645	Less than or until 1 month -
- Lebih dari 1 - 3 bulan	13.797.030	3.930.904	More than 1 - 3 months -
- Lebih dari 3 - 6 bulan	291.062	2.077.582	More than 3 - 6 months -
- Lebih dari 6 - 12 bulan	8.287.025	102.827	More than 6 - 12 months -
- Lebih dari 12 - 18 bulan	130	130	More than 12 - 18 months -
- Lebih dari 18 - 24 bulan	4.477	3.449	More than 18 - 24 months -
- Jatuh Tempo	892	429	Matured -
- Deposito <i>on call</i>	288.190	57.525	Deposits on call -
	<u>32.256.074</u>	<u>24.408.491</u>	
Mata uang asing			Foreign currencies
- Kurang dari atau sama dengan 1 bulan	65.383	49.257	Less than or until 1 month -
- Lebih dari 1 - 3 bulan	4.429	3.573	More than 1 - 3 months -
- Lebih dari 3 - 6 bulan	744	3.169	More than 3 - 6 months -
- Lebih dari 6 - 12 bulan	50	78	More than 6 - 12 months -
	<u>70.606</u>	<u>56.077</u>	
Jumlah	<u>32.326.680</u>	<u>24.464.568</u>	Total

16. DEPOSITS FROM CUSTOMERS (continued)

b. Based on relationship and currencies (continued)

3). Detail of time deposits and deposits *on call*:

The details of time deposits based on maturities are as follows:

The details of time deposits based on remaining period until maturity:

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16. SIMPANAN DARI NASABAH (lanjutan)

c. Tingkat bunga rata-rata deposito per tahun:

	<u>2021</u>	<u>2020</u>
Rupiah		
- 1 bulan	2,98%	4,38%
- 2 bulan	3,00%	4,88%
- 3 bulan	3,00%	5,13%
- 6 bulan	3,00%	4,88%
- 12 bulan	3,00%	4,88%
- 18 bulan	3,00%	4,88%
- 24 bulan	3,00%	4,63%
- Deposito <i>on call</i>	2,93%	3,50%
Mata uang asing:		
- 1 dan 3 bulan	0,18%	0,40%

Tingkat bunga rata-rata per tahun untuk deposito berjangka dari pihak berelasi adalah sama dengan pihak ketiga.

Pada tanggal 31 Desember 2021 dan 2020, jumlah deposito berjangka yang diblokir dan dijadikan jaminan kredit, masing-masing sebesar Rp87.191 dan Rp93.023 (Catatan 10k).

16. DEPOSITS FROM CUSTOMERS (continued)

c. Average interest rates of deposits per annum:

	<u>2021</u>	<u>2020</u>
Rupiah		
- 1 month	2,98%	4,38%
- 2 months	3,00%	4,88%
- 3 months	3,00%	5,13%
- 6 months	3,00%	4,88%
- 12 months	3,00%	4,88%
- 18 months	3,00%	4,88%
- 24 months	3,00%	4,63%
- Deposits <i>on call</i>	2,93%	3,50%
Foreign currencies		
- 1 and 3 months	0,18%	0,40%

The average interest rates per annum on time deposits from related parties are similar to those for third parties.

As of December 31, 2021 and 2020, time deposits held under liens and used as security were Rp87,191 and Rp93,023, respectively (Note 10k).

17. SIMPANAN DARI BANK LAIN

a. Berdasarkan segmen

	<u>2021</u>	<u>2020</u>
Konvensional		
Tabungan		
- Siklus	210.980	156.163
- Simpeda	308.338	280.120
	<u>519.318</u>	<u>436.283</u>
Giro		
- Giro Bank Swasta	55.685	36.648
- Giro BPD-SI	2.613	2.680
- Giro Bank Pemerintah	191	448
- Giro BPR	135	-
- Giro BPR Jets	12.318	8.834
	<u>70.942</u>	<u>48.610</u>
Deposito berjangka		
- 1 bulan	409.666	337.721
- 2 bulan	-	700
- 3 bulan	202.950	129.120
- 6 bulan	11.660	60
- 12 bulan	1.000	2.500
	<u>625.276</u>	<u>470.101</u>
Interbank call money	2.055.000	1.510.000
Total konvensional	<u>3.270.536</u>	<u>2.464.994</u>
Syariah		
- Tabungan <i>mudharabah</i>	45.783	17.337
- Giro <i>wadiah</i>	19.181	7.623
- Deposito <i>mudharabah</i>	6.400	15.650
- SIMA	846.000	350.000
Total syariah	<u>917.364</u>	<u>390.610</u>
Total	<u>4.187.900</u>	<u>2.855.604</u>

17. DEPOSITS FROM OTHER BANKS

a. Based on segment

	<u>2021</u>	<u>2020</u>
Conventional		
Savings		
- Siklus	210.980	156.163
- Simpeda	308.338	280.120
	<u>519.318</u>	<u>436.283</u>
Current accounts		
Private bank current accounts	55.685	36.648
BPD-SI current accounts	2.613	2.680
Government bank current accounts	191	448
BPR current accounts	135	-
BPR Jets current accounts	12.318	8.834
	<u>70.942</u>	<u>48.610</u>
Time deposits		
1 month	409.666	337.721
2 months	-	700
3 months	202.950	129.120
6 months	11.660	60
12 months	1.000	2.500
	<u>625.276</u>	<u>470.101</u>
Interbank call money	2.055.000	1.510.000
Total conventional	<u>3.270.536</u>	<u>2.464.994</u>
Sharia		
Mudharabah savings	45.783	17.337
Wadiah current account	19.181	7.623
Mudharabah time deposit	6.400	15.650
SIMA	846.000	350.000
Total sharia	<u>917.364</u>	<u>390.610</u>
Total	<u>4.187.900</u>	<u>2.855.604</u>

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17. DEPOSITS FROM OTHER BANKS (continued)

b. Berdasarkan hubungan

b. Based on relationship

	<u>2021</u>	<u>2020</u>	
Pihak berelasi			<i>Related parties</i>
- Giro	913	1.597	<i>Current accounts -</i>
- Tabungan	40.226	27.233	<i>Savings -</i>
- Deposito berjangka	319.030	210.030	<i>Time deposits -</i>
	<u>360.169</u>	<u>238.860</u>	
Pihak ketiga			<i>Third parties</i>
- Giro	89.210	54.636	<i>Current accounts -</i>
- Tabungan	524.875	426.387	<i>Savings -</i>
- Deposito berjangka	312.646	275.721	<i>Time deposits -</i>
- SIMA	846.000	350.000	<i>SIMA -</i>
- Interbank call money	2.055.000	1.510.000	<i>Interbank call money -</i>
	<u>3.827.731</u>	<u>2.616.744</u>	
Total	<u>4.187.900</u>	<u>2.855.604</u>	Total

Seluruh simpanan dari bank lain adalah dalam mata uang Rupiah.

All deposits from other banks are in Rupiah.

c. Deposito berdasarkan sisa umur sampai dengan saat jatuh tempo

c. Deposits by remaining period to maturity

	<u>2021</u>	<u>2020</u>	
Rupiah			<i>Rupiah</i>
- Kurang dari atau sama dengan 1 bulan	415.066	350.611	<i>Less than or until 1 month -</i>
- Lebih dari 1 - 3 bulan	203.950	132.520	<i>More than 1 - 3 months -</i>
- Lebih dari 3 - 6 bulan	11.660	60	<i>More than 3 - 6 months -</i>
- Lebih dari 6 - 12 bulan	1.000	2.500	<i>More than 6 - 12 months -</i>
- Jatuh Tempo	-	60	<i>Matured -</i>
	<u>631.676</u>	<u>485.751</u>	
- Interbank call money	2.055.000	1.510.000	<i>Interbank call money -</i>
Total	<u>2.686.676</u>	<u>1.995.751</u>	Total

d. Tingkat suku bunga rata-rata per tahun

d. Average interest rates per annum

	<u>2021</u>	<u>2020</u>	
Konvensional			<i>Conventional</i>
Giro	0,65%	0,86%	<i>Current accounts</i>
Tabungan	1,23%	0,96%	<i>Savings</i>
Deposito	2,90%	4,21%	<i>Time deposits</i>
Interbank call money	2,95%	3,76%	<i>Interbank call money</i>
Syariah			<i>Sharia</i>
Giro	0,36%	0,36%	<i>Current accounts</i>
Tabungan	0,31%	0,89%	<i>Savings</i>
Deposito	2,89%	3,60%	<i>Time deposits</i>
SIMA	3,22%	4,21%	<i>SIMA</i>

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18. PINJAMAN YANG DITERIMA

	2021	2020
Kementerian Pekerjaan Umum dan Perumahan Rakyat (PUPR) Republik Indonesia	457.034	354.136
Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)	120.394	209.314
PT Sarana Multigriya Financial	76.493	65.895
Pemerintah Provinsi Jawa Timur (pihak berelasi)	1.367	2.010
Total	655.288	631.355

Seluruh pinjaman yang diterima adalah dari pihak ketiga dan dalam mata uang 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 2021 sampai dengan tanggal 31 Desember 2021 dan sebagaimana perubahan terakhir telah diperpanjang mulai tanggal 1 Januari 2022 sampai dengan tanggal 31 Desember 2022.

Bank wajib menyampaikan rekening koran atas rekening Dana Kelolaan dan Rekening Operasional paling lambat tanggal 5 dan 16 setiap bulannya. Pada tahun 2021 dan 2020, Bank telah menyalurkan kredit FLPP masing-masing sebesar Rp184.774 dan Rp155.406.

b. Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)

Sesuai Perjanjian Pinjaman No.26 tanggal 13 September 2019, Bank menerima pinjaman dari LPDB-KUMKM yang berupa fasilitas pembiayaan maksimal Rp200.000, untuk disalurkan kepada Usaha Mikro, Kecil dan Menengah (UMKM) yang tersebar di wilayah kerja Bank dan telah ditetapkan sesuai dengan daftar definitif. Tingkat suku bunga yang diberikan dari LPDB ke Bank sebesar 5% dan suku bunga dari Bank ke Usaha Mikro dan menengah maksimal 7% pertahun.

Penyaluran pembiayaan yang diberikan adalah pola *executing* dengan jangka waktu 60 (enam puluh) bulan atau 5 (lima) tahun terhitung sejak pencairan.

Bank harus menyerahkan daftar piutang sehat yang dimiliki Bank yang menjadi jaminan fidusia setiap 6 bulan minimal 100% dari *outstanding* pinjaman.

18. BORROWINGS

	2021	2020	
			Ministry of Public Works and Housing of the Republic of Indonesia
	457.034	354.136	Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)
	120.394	209.314	PT Sarana Multigriya Financial
	76.493	65.895	
	1.367	2.010	Government of East Java Province (related party)
Total	655.288	631.355	Total

All borrowings are from third parties and in Rupiah.

a. Ministry of Public Works and Housing

Fund Management Center of Housing Financing (PPDPP) from the Ministry of General Works and Public Housing of the Republic of Indonesia in collaboration with the Bank disburse the Liquidity Facility of Housing Financing (FLPP) through loan/financing of housing for sharia prosperous house for low-income communities with an interest rate maximum of 0.5% for KPR Sejahtera FLPP provision fee. KPR Sejahtera FLPP has a maximum term of 20 (twenty) years. The term of the operational cooperation agreement is starting from January 1, 2021 until December 31, 2021 and as the latest amendment has been extended from January 1, 2022 until December 31, 2022.

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 2021 and 2020, the Bank has disbursed FLPP to debtors amounting to Rp184,774 and Rp155,406, 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.

The distributing patterns of financing provided is *executing* a pattern with a period of 60 (sixty) months or 5 (five) years from the disbursement.

The Bank must submit a list of healthy receivables owned by the Bank which is a fiduciary guarantee every 6 months at least 100% of the outstanding loan.

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18. PINJAMAN YANG DITERIMA (lanjutan)

- b. Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM) (lanjutan)

Bank menjaminkan kreditnya kepada LPDB-KUMKM dengan nilai minimal 100% dari *outstanding* pinjaman yang menjadi jaminan fidusia. Pada 31 Desember 2021 dan 2020 bank memiliki sisa pinjaman sebesar Rp120.251 dan Rp209.314. Apabila dalam jangka waktu pinjaman terdapat penurunan kualitas piutang yang dijaminkan maka bank wajib mengganti dengan piutang baru yang sehat.

- c. PT Sarana Multigriya Financial (Persero)

Dana Multigriya Financial merupakan fasilitas pembiayaan dengan 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 25 Februari 2021 sampai dengan 31 Desember 2021.

Bank harus menyerahkan Laporan Keuangan Audited selambat-lambatnya 120 hari sejak ditutupnya tahun buku. Bank tidak boleh mengalihkan/menyerahkan kepada pihak lain, sebagian atau seluruhnya atas hak dan kewajiban yang timbul berkaitan dengan perjanjian pinjaman ini.

- d. Pemerintah Provinsi Jawa Timur

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 3 (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 3 (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 Timur bagi Indutri Mikro, Kecil, Menengah tanggal 19 Oktober 2020 dengan jangka waktu perjanjian selama 5 (lima) tahun.

18. BORROWINGS (continued)

- b. Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM) (continued)

The Bank pledged its loan as collateral to LPDB-KUMKM with a minimum value of 100% of the *outstanding* loan which is a fiduciary guarantee. As of December 31, 2021 and 2020 the bank has *outstanding* loan of Rp120,251 and Rp209,314. If during the loan period there is a decrease in the quality of the collateralized loan, the bank is obliged to replace it with new, performing loans.

- c. PT Sarana Multigriya 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 February 25, 2021 to December 31, 2021.

Banks must submit the Audited Financial Statements no later than 120 days after the closing of the financial year. The Bank may not transfer/hand over to other parties, partially or entirely of the rights and obligations arising in connection with this loan agreement.

- d. Government of East Java Province

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 3 (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 3 (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 Funds in East Java Province for Micro, Small, and Medium Industries on October 19, 2020 with an agreement period of 5 (five) years.

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18. PINJAMAN YANG DITERIMA (lanjutan)

- d. Pemerintah Provinsi Jawa Timur (lanjutan)
- 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 3 (tiga) tahun, kredit investasi maksimal lima tahun dapat diberikan *grace period* angsuran pokok maksimal selama 3 (tiga) bulan.

19. PERPAJAKAN

- a. Pada tanggal 31 Desember 2021 dan 2020, saldo piutang pajak atas pajak lainnya masing-masing sebesar Rp412 dan Rp65.
- b. Utang pajak:

	<u>2021</u>
Pajak penghasilan pasal 29 (Catatan 19f)	131.299
Pajak penghasilan pasal 21	20.291
Pajak penghasilan pasal 23/4 (2)	13.492
Lain-lain	394
Total	<u>165.476</u>

- c. Beban pajak penghasilan badan:

	<u>2021</u>
Pajak kini	474.145
Koreksi beban pajak	
Pajak kini tahun 2016	-
Pajak kini tahun 2017	-
Pajak kini tahun 2018	-
	<u>474.145</u>
Pajak tangguhan	(59.241)
Koreksi pajak tangguhan	
Pajak tangguhan 2016	-
Pajak tangguhan 2017	-
Pajak tangguhan 2018	-
Dampak perubahan tarif	-
	<u>(59.241)</u>
Beban pajak	<u>414.904</u>

18. BORROWINGS (continued)

- d. Government of East Java Province (continued)
- 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 3 (three) years, maximum agreement period for investment credit be held in five years, with a maximum principal installment grace period of 3 (three) months.

19. TAXATION

- a. As of December 31, 2021 and 2020, the balance of tax receivable on other tax amounted Rp412 and Rp65, respectively.
- b. Taxes payable:

	<u>2021</u>	<u>2020</u>	
	131.299	57.631	Corporate income tax - article 29 (Note 19f)
	20.291	20.274	Employees' income tax - article 21
	13.492	14.928	Withholding income tax articles 23/4 (2)
	394	302	Others
Total	<u>165.476</u>	<u>93.135</u>	Total

- c. Corporate income tax expense:

	<u>2021</u>	<u>2020</u>	
Pajak kini	474.145	421.943	Current tax
Koreksi beban pajak			Correction of Tax Expense
Pajak kini tahun 2016	-	(81.648)	Current tax year 2016
Pajak kini tahun 2017	-	(126.532)	Current tax year 2017
Pajak kini tahun 2018	-	(75.271)	Current tax year 2018
	<u>474.145</u>	<u>138.492</u>	
Pajak tangguhan	(59.241)	(94.529)	Deferred Tax
Koreksi pajak tangguhan			Deferred Tax Correction
Pajak tangguhan 2016	-	(19.878)	Deferred Tax year 2016
Pajak tangguhan 2017	-	(2.144)	Deferred Tax year 2017
Pajak tangguhan 2018	-	(26.217)	Deferred Tax year 2018
Dampak perubahan tarif	-	22.681	The effect of rate changes
	<u>(59.241)</u>	<u>(120.087)</u>	
Beban pajak	<u>414.904</u>	<u>18.405</u>	Income tax expense

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19. PERPAJAKAN (lanjutan)

- d. Rekonsiliasi antara laba sebelum beban pajak yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain dengan taksiran laba kena pajak adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>
Laba sebelum beban pajak	1.937.974	1.507.367
Perbedaan tetap:		
Pajak	69.549	68.402
Tanggung jawab sosial dan lingkungan, sumbangan, promosi, rapat dan jamuan tamu dan lainnya	76.754	87.040
Penyisihan kerugian penurunan nilai	26.629	7.740
Lain-lain	72.796	52.684
	<u>245.728</u>	<u>215.866</u>
Perbedaan temporer:		
Penyisihan kerugian penurunan nilai	252.702	403.364
Cadangan jasa produksi	380.767	372.823
Cadangan imbalan kerja	5.869	25.061
Cadangan lainnya	41.072	35.254
Penerimaan hapusbuku	-	-
Sewa	4.210	5.142
Pembayaran jasa produksi	(372.823)	(344.126)
	<u>311.797</u>	<u>497.518</u>
Total	<u>557.525</u>	<u>713.384</u>
Taksiran laba kena pajak	<u>2.495.499</u>	<u>2.220.751</u>

19. TAXATION (continued)

- d. The reconciliation between income before tax expense as shown in the statements of profit or loss and other comprehensive income and estimated taxable income is as follows:

Income before tax expense
Permanent differences:
Taxes
Social and environment responsibility, donation, promotion, meetings and entertainment and others
Provision for impairment losses
Others
Temporary differences:
Provision for impairment losses
Provision for employee bonuses
Provision for employee benefit
Others provision
Write off credit income
Lease
Payment for employee bonuses
Total
Estimated taxable income

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19. PERPAJAKAN (lanjutan)

e. Perhitungan beban pajak adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>
Pajak kini		
(Pajak dengan tarif efektif atas taksiran laba kena pajak tahun berjalan)	474.145	421.943
Koreksi beban pajak		
Pajak kini tahun 2016	-	(81.648)
Pajak kini tahun 2017	-	(126.532)
Pajak kini tahun 2018	-	(75.271)
	<u>474.145</u>	<u>138.492</u>
Beban (manfaat) pajak penghasilan tanguhan atas pengaruh beda temporer temporer pada tarif pajak maksimum:		
Penyisihan kerugian penurunan nilai	(48.013)	(76.639)
Cadangan jasa produksi	(72.345)	(70.837)
Koreksi fiskal PSAK 73	(800)	-
Cadangan imbalan kerja	(1.115)	(4.762)
Cadangan lainnya	(7.804)	(7.675)
Penerimaan hapusbuku	-	-
Pembayaran jasa produksi	70.836	65.384
Manfaat pajak tanguhan	<u>(59.241)</u>	<u>(94.529)</u>
Laba sebelum beban pajak	414.904	1.507.367
Taksiran pajak penghasilan dengan tarif pajak yang berlaku	368.215	286.400
Pengaruh pajak atas beda tetap	46.689	41.014
Pajak penghasilan tahun berjalan	414.904	327.414
Pajak kini tahun 2016	-	(81.648)
Pajak kini tahun 2017	-	(126.532)
Pajak kini tahun 2018	-	(75.271)
Pajak tanguhan 2016	-	(19.878)
Pajak tanguhan 2017	-	(2.144)
Pajak tanguhan 2018	-	(26.217)
Dampak perubahan tarif	-	22.681
Beban pajak, neto	414.904	18.405

f. Perhitungan utang pajak penghasilan badan adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>
Beban pajak tahun berjalan	474.145	421.943
Dikurangi: Pajak penghasilan badan dibayar dimuka - pajak penghasilan - pasal 25	342.846	364.312
Kurang bayar pajak penghasilan badan (Catatan 19b)	(131.299)	(57.631)

19. TAXATION (continued)

e. The computation of tax expense is as follows:

	<u>2021</u>	<u>2020</u>
Current tax		
(At the effective tax rate on estimated taxable income for the current year)	474.145	421.943
Correction of tax expense		
Current tax year 2016	-	(81.648)
Current tax year 2017	-	(126.532)
Current tax year 2018	-	(75.271)
Deferred tax expense (benefit) of temporary differences at the maximum tax rate:		
Provision for impairment losses	(48.013)	(76.639)
Provision for employee bonuses	(72.345)	(70.837)
PSAK 73 Fiscal Correction	(800)	-
Provision for employee benefit	(1.115)	(4.762)
Others provision	(7.804)	(7.675)
Write off credit income	-	-
Payment for employee bonuses	70.836	65.384
Deferred tax benefit	<u>(59.241)</u>	<u>(94.529)</u>
Income before tax expense	414.904	1.507.367
Estimated income tax at applicable tax rate	368.215	286.400
Tax effect on permanent differences	46.689	41.014
Corporate income tax current year	414.904	327.414
Current tax year 2016	-	(81.648)
Current tax year 2017	-	(126.532)
Current tax year 2018	-	(75.271)
Deferred Tax year 2016	-	(19.878)
Deferred Tax year 2017	-	(2.144)
Deferred Tax year 2018	-	(26.217)
The effect of rate changes	-	22.681
Tax expense, net	414.904	18.405

f. The analysis of corporate income tax payable is as follows:

Current year tax expense	474.145
Less: Prepaid corporate income tax - article 25	(342.846)
Under payment of corporate income tax (Note 19b)	(131.299)

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19. PERPAJAKAN (lanjutan)

19. TAXATION (continued)

g. Aset pajak tangguhan:

g. Deferred tax assets:

	2020	Dikreditkan ke penghasilan komprehensif lain/ Credited to other comprehensive income	Dikreditkan ke laporan laba rugi/ Credited to statement of profit or loss	2021	
Cadangan jasa produksi	70.837	-	1.509	72.346	Provision for employee bonuses
Penyisihan kerugian aset produktif	475.586	-	48.013	523.599	Provision for losses on earning assets
Laba yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain	(29.498)	(15.902)	-	(45.400)	Unrealized gain on financial assets measured at fair value through other comprehensive income
Cadangan lainnya	6.698	-	7.804	14.502	Others provision
Sewa	977	-	800	1.777	Lease
Cadangan imbalan kerja	67.076	(7.804)	1.115	60.387	Provision for employee benefit
Aset pajak tangguhan	591.676	(23.706)	59.241	627.211	Deferred tax assets

	2019	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	Koreksi Surat Ketetapan Pajak/Tax assessment letter correction	2020	
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
	(5)	(29.493)	-	-	-	(29.498)	
Pendapatan Komprehensif	-	-	-	-	-	-	Other Comprehensive Income
Cadangan lainnya	-	-	6.698	-	-	6.698	Others provision
Sewa	-	-	977	-	-	977	Lease
Cadangan imbalan kerja	84.652	(21.556)	4.762	(782)	-	67.076	Provision for employee benefit
Aset pajak tangguhan	522.638	(51.049)	94.529	(22.681)	48.239	591.676	Deferred tax assets

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19. PERPAJAKAN (lanjutan)

h. Perubahan tarif pajak

Berdasarkan pasal 17 ayat 2 Undang-undang No.7 tahun 1983 mengenai "Pajak Penghasilan" yang telah diubah untuk keempat kalinya dengan Undang-undang No.36 tahun 2008, tarif Pajak Penghasilan Badan sebesar 25%. Namun demikian berdasarkan Undang-undang No.36 tahun 2008 tanggal 23 September 2008, Peraturan Pemerintah No.81 tahun 2007 tanggal 28 Desember 2007 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka" dan Peraturan Menteri Keuangan No.238/PMK.03/2008 tanggal 30 Desember 2008 tentang "Tata Cara Pelaksanaan dan Pengawasan Pemberian Penurunan Tarif Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka".

Pada akhir tahun 2013, Peraturan Pemerintah No.81 Tahun 2007 tanggal 28 Desember 2007 telah diubah dengan Peraturan Pemerintah (PP) No.77 Tahun 2013 tanggal 21 November 2013 yang kemudian diubah dengan Peraturan Pemerintah (PP) No.56 Tahun 2015 tanggal 3 Agustus 2015 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka", yang mengatur bahwa wajib pajak dalam negeri yang berbentuk perseroan terbuka dapat memperoleh penurunan tarif pajak penghasilan sebesar 5% (lima persen) lebih rendah dari tarif pajak penghasilan wajib pajak badan dalam negeri bila memenuhi persyaratan sebagai berikut: (a) paling sedikit 40% (empat puluh persen) dari jumlah keseluruhan saham yang disetor dicatat untuk diperdagangkan di Bursa Efek Indonesia, (b) saham tersebut harus dimiliki oleh paling sedikit 300 pihak, (c) masing-masing pihak tersebut hanya boleh memiliki saham kurang dari 5% (lima persen) dari keseluruhan saham ditempatkan dan disetor penuh, dan (d) ketentuan sebagaimana dimaksud di atas harus dipenuhi dalam waktu paling singkat 183 (seratus delapan puluh tiga) hari kalender dalam jangka waktu 1 (satu) tahun pajak. Ketentuan mengenai tata cara pelaksanaan dan pengawasan pemberian penurunan tarif pajak penghasilan di atas akan diatur dengan Peraturan Pemerintah (PP).

Manajemen berkeyakinan bahwa Bank telah memenuhi semua persyaratan untuk memperoleh fasilitas penurunan tarif pajak penghasilan.

Berdasarkan surat keterangan No.DE/I/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.

19. TAXATION (continued)

h. Changes in tax rate

Under article 17, paragraph 2 of Law No.7 year 1983 regarding "Income Tax" which has been amended for the fourth time with the Law No.36 year 2008, the corporate income tax rate is 25%. However, based on Law No.36 year 2008 dated September 23, 2008, Government Regulation No.81 year 2007 dated December 28, 2007 regarding "Reduction on Income Tax Rate for Domestic Listed Companies" and the Ministry of Finance Regulation No.238/PMK.03/2008 dated December 30, 2008 regarding "Implementation and Monitoring Procedures for Granting Reduction Rates for Domestic Listed Companies".

At end of 2013, Government Regulation No.81 Year 2007 dated December 28, 2007 was amended by Government Regulation (PP) No.77 Year 2013 dated November 21, 2013 which was amended with Government Regulation (PP) No.56 Year 2015 dated August 3, 2015 regarding "Reduction on Income Tax Rate for Domestic Listed Companies", which regulates that domestic listed companies can obtain reduction on income tax rate at 5% (five percent) lower than income tax rate of domestic companies tax payers if the following criterias are met: (a) at least 40% (fourty percent) of the total issued shares are traded in Indonesia Stock Exchange, (b) the shares are owned by at least 300 parties, (c) each party can only own lower than 5% (five percent) of the total issued and fully paid shares, and (d) the above requirements must be fulfilled at the minimum of 183 (one hundred eighty three) calendar days in a period of 1 (one) fiscal year. Regulation on application and supervision of the reduction on income tax rate will be provided in the Government Regulation.

Management believes that the Bank has fulfill all the requirements to obtain the reduction on income tax rate facility.

Based on Letter No.DE/I/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.

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19. PERPAJAKAN (lanjutan)

h. Perubahan tarif pajak (lanjutan)

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 Peraturan Menteri Keuangan Nomor 17/PMK.03/2013 tentang Tata 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 Rp74.296 (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.

19. TAXATION (continued)

h. Changes in tax rate (continued)

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 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 PRIN00408/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 March 9, 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.

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19. PERPAJAKAN (lanjutan)

h. Perubahan tarif pajak (lanjutan)

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 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/I/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.

19. TAXATION (continued)

h. Changes in tax rate (continued)

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 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/I/2021-0545 dated January 21, 2021 the monthly report of shares ownerships, form NoX.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.

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19. PERPAJAKAN (lanjutan)

h. Perubahan tarif pajak (lanjutan)

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 2021 telah dihitung menggunakan tarif pajak 19%.

19. TAXATION (continued)

h. Changes in tax rate (continued)

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, 2021 has been calculated using a tax rate of 19%.

20. BEBAN YANG MASIH HARUS DIBAYAR

	<u>2021</u>
Cadangan jasa produksi	380.767
Bunga	97.880
Jumlah	<u>478.647</u>

20. ACCRUED EXPENSES

	<u>2020</u>	
	372.823	Employee bonuses
	111.843	Interest
Jumlah	<u>484.666</u>	Total

21. LIABILITAS LAIN-LAIN

	<u>2021</u>	
	Jumlah nasional mata uang asing/ National amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
Rupiah		
Cadangan imbalan kerja	317.828	
Setoran jaminan	117.527	
Liabilitas sewa	44.433	
Pokok kredit penerusan yang diterima	8.643	
Bunga kredit penerusan yang diterima	3.522	
Provisi dan administrasi kredit	8.971	
Estimasi kerugian komitmen dan kontinjensi	117	
Lainnya	26.689	
	<u>527.730</u>	
Mata uang asing		
Lainnya		
Dolar Amerika Serikat	100.400	1.431
Dolar Singapore	51.729	546
Dolar Hong Kong	10.394	19
Yen Jepang	96.774	12
	<u>2.008</u>	<u>19</u>
Jumlah	<u>529.738</u>	

21. OTHER LIABILITIES

	<u>2020</u>		
	Jumlah nasional mata uang asing/ National amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
	353.033		Rupiah
	62.029		Provision of employee benefit
	113.642		Security deposits
	9.903		Lease liabilities
	3.427		Principal - channeling loans received
	6.565		Interest - channeling loans received
			Provision and credit administration
			Estimated losses on commitments and contingencies
	4.280		Others
	43.732		
	<u>596.611</u>		
			Foreign currencies
			Other
			United States Dollar
			Singapore Dollar
	10.486	19	Hong Kong Dollar
			Japanese Yen
	<u>19</u>	<u>19</u>	
Jumlah	<u>596.630</u>		Total

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21. LIABILITAS LAIN-LAIN (lanjutan)

Estimasi kerugian komitmen dan kontinjensi adalah sebagai berikut:

	<u>2021</u>
Saldo awal tahun	4.280
Pemulihan tahun berjalan	(4.163)
Saldo akhir tahun	<u>117</u>

22. MODAL SAHAM

Pemegang saham Bank, jumlah saham yang ditempatkan dan disetor, dan saldo yang terkait pada tanggal 31 Desember 2021 dan 2020, adalah sebagai berikut:

a. Modal dasar

Modal dasar Bank pada tanggal 31 Desember 2021 dan 2020 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>

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.

21. OTHER LIABILITIES (continued)

Estimated losses on commitments and contingencies are as follows:

	<u>2020</u>
Saldo awal tahun	4.611
Pemulihan tahun berjalan	(331)
Saldo akhir tahun	<u>4.280</u>

Balance at beginning of year
Recovery during the year
Balance at end of year

22. SHARE CAPITAL

The Bank's shareholders, the number of authorized, issued and paid-up shares and the related balances as of December 31, 2021 and 2020 were as follows:

a. Authorized capital

The Bank's authorized capital as of December 31, 2021 and 2020 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>	Total

Series A and B shares with par value of Rp250 per share (full Rupiah).

- The previous authorized capital of the Bank was Rp2,500,000 which consisted of Rp2,250,000 series A shares and Rp250,000 series B shares with par value of Rp1 based on deed No. 56 dated April 17, 2008, and was legalized by Notary of Untung Darnosoewirjo, S.H. The authorized capital was increased to be Rp9,000,000 which consisted of Rp6,000,000 series A shares and Rp3,000,000 series B shares with par value of Rp250 (full Rupiah). In relation to the increase in authorised capital, the Bank has obtained approval to amend the Bank's Articles of Association from the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-22728.AH.01.02.Tahun 2012 dated April 30, 2012.

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22. MODAL SAHAM (lanjutan)

a. Modal dasar

Saham Seri A dan Seri B, masing-masing dengan nilai nominal Rp250 per saham (Rupiah penuh).

- Berdasarkan berita acara rapat pemegang saham luar biasa No. 19 tanggal 19 Maret 2012, sebagaimana dituangkan dalam Akta Notaris No. 19 tanggal 19 Maret 2012, yang dibuat dihadapan Notaris Wachid Hasyim, S.H., para pemegang saham menyetujui untuk mengkonversi saldo laba yang telah ditentukan penggunaannya sebesar Rp1.310.000 ke modal ditempatkan dan disetor penuh setelah modal dasar Bank ditingkatkan menjadi Rp9.000.000, secara proporsional berdasarkan jumlah saham yang dimiliki oleh masing-masing pemegang saham dengan nilai nominal Rp250 (Rupiah penuh) per lembar saham, sehingga sisa hasil konversi yang tidak habis dibagi Rp250 (Rupiah penuh) akan dikembalikan kepada masing-masing pemegang saham.
- Pada tanggal 12 Juli 2012 saham Bank secara resmi telah tercatat di Bursa Efek Indonesia. Jumlah saham Bank yang tercatat di Bursa Efek Indonesia sebanyak 14.768.508.132 saham atau 99% dari jumlah saham Bank. Saham yang tercatat merupakan saham seri A sebanyak 11.784.971.132 dan saham seri B sebanyak 2.983.537.000 saham. Sementara 149.176.850 saham atau 1% sisanya tidak dicatatkan di Bursa Efek Indonesia untuk memenuhi Peraturan Pemerintah No. 29 tahun 1999 tentang Pembelian Saham Bank Umum.

b. Jumlah saham seri A yang ditempatkan dan disetor penuh pada tanggal 31 Desember 2021 dan 2020 sebagai berikut (Rupiah penuh):

Pemecahan nilai nominal dari Rp1.000.000 per saham menjadi Rp250 per saham	6.694.148.000
Konversi cadangan umum	5.239.999.982
Jumlah saham pada akhir tahun	<u>11.934.147.982</u>

c. Jumlah saham seri B yang ditempatkan dan disetor penuh pada tanggal 31 Desember 2021 dan 2020 adalah 3.081.350.100 lembar saham (Rupiah penuh).

22. SHARE CAPITAL (continued)

a. Authorized capital

Series A and B shares with par value of Rp250 per share (full Rupiah).

- Based on minutes of extraordinary meeting shareholders' No. 19 dated March 19, 2012, as stated in Notarial Deed No. 19 dated March 19, 2012 of Wachid Hasyim, S.H., the shareholders agreed to convert the appropriated retained earnings of Rp1,310,000 to issued and fully paid capital after the authorized capital of the Bank has been increased to be Rp9,000,000, proportionally based on the number of shares hold by each shareholders, at par value of Rp250 (full Rupiah) per share, and therefore the residual for which the amount is unable to be fully divided by Rp250 (full Rupiah) are to be returned to esach shareholders.
- On July 12, 2012 Bank shares have been officially listed on the Indonesia Stock Exchange. Total shares of the Bank listed on the Indonesia Stock Exchange were 14,768,508,132 shares or 99% of the total shares of the Bank. Listed shares are 11,784,971,132 series A shares and 2,983,537,000 Series B shares. While the 149,176,850 shares or 1% are not listed on the Indonesia Stock Exchange to fulfill the Government Regulation No. 29 of 1999 concerning Purchase of Shares of Commercial Banks.

b. Total issued and fully paid-up capital of series A shares as of December 31, 2021 and 2020, are as follows (full Rupiah):

Stock split from Rp1,000,000 per share to be Rp250 per saham
General reserve conversion
Shares at year end

c. Total issued and fully paid-up capital of series B shares as of December 31, 2021 and 2020 are 3,081,350,100 shares (full Rupiah).

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22. MODAL SAHAM (lanjutan)

d. Susunan pemegang saham

22. SHARE CAPITAL (continued)

d. Composition of shareholders

	2021			Shareholders
	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	
Pemegang saham				Series A
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:
- Heru Tjahjono	141.400	0,00%	35	Heru Tjahjono -
Direksi:				Directors:
- Busrul Iman	1.556.400	0,01%	389	Busrul Iman -
- Tonny Prasetyo	346.000	0,00%	87	Tonny Prasetyo -
- Erdianto Sigit Cahyono	305.600	0,00%	76	Erdianto Sigit Cahyono -
- Ferdian Timur Satyagraha	2.581.833	0,02%	645	Ferdian Timur Satyagraha -
- Rizyana Mirda	3.699.333	0,02%	925	Rizyana Mirda -
Masyarakat (kepemilikan masing-masing dibawah 5%)	3.072.719.534	20,46%	768.181	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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22. MODAL SAHAM (lanjutan)

d. Susunan pemegang saham (lanjutan)

22. SHARE CAPITAL (continued)

d. Composition of shareholders (continued)

Pemegang saham	2020			Shareholders
	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	
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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22. MODAL SAHAM (lanjutan)

e. Pembagian saldo laba

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan, sebagaimana tercantum dalam akta No. 01 tanggal 03 Mei 2021 yang dibuat oleh Notaris Sitaresmi Puspadewi Subianto, S.H. dan akta No.67 tanggal 24 April 2020 yang dibuat oleh Notaris Sitaresmi Puspadewi Subianto, S.H. para Pemegang Saham menyetujui pembagian laba neto untuk tahun yang berakhir pada tanggal 31 Desember 2020 dan 2019 sejumlah dan dengan penggunaan sebagai berikut:

	Laba tahun/ Net income year 2020
Dividen tunai	733.508
Cadangan umum	755.454

Bank membentuk cadangan umum untuk memperkuat modal.

23. TAMBAHAN MODAL DISETOR – NETO

Rincian tambahan modal disetor tanggal 31 Desember 2021 dan 2020, adalah sebagai berikut:

	2021
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
Jumlah	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

22. SHARE CAPITAL (continued)

e. Distribution of retained earnings

Based on decisions at Annual General Meetings Report as documented in notarial deeds No.01 dated May 03, 2021 of Sitaresmi Puspadewi Subianto, S.H. And No.67 dated April 24, 2020 of Sitaresmi Puspadewi Subianto, S.H. the shareholders agreed to distribute net income for the year ended December 31, 2020 and 2019 as follows:

	Laba tahun/ Net income year 2019	
	723.747	Cash dividends
	652.758	General reserve

Bank established the general reserve to strengthen capital.

23. OTHER PAID-IN CAPITAL – NET

Details of other paid in capital as of December 31, 2021 and 2020 as follows:

	2021	2020	
			Share premium from Initial Public Offering (IPO)
			Stock option for Management and Employee Stock Option Plan (MESOP) program
			Total

On July 12, 2012, the Bank has made it first Initial Public Offering (IPO) by issuing 2,983,537,000 series B shares amounted to Rp250 (full Rupiah) per share with an offering price at Rp430 (full Rupiah) per share, resulting increase in share premium, as follows:

Share premium Rp180 (full Rupiah) per share
Share issuance cost
Share premium from IPO

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23. TAMBAHAN MODAL DISETOR – NETO (lanjutan)

Program MESOP sebanyak 105.915.000 lembar dilaksanakan mulai tahun 2015 kepada manajemen dan karyawan Bank dan Program MESOP akan berakhir pada tahun 2020. Sampai dengan saat ini telah tereksekusi 97.813.100 lembar saham dari Program MESOP sehingga menghasilkan tambahan agio saham sebagai berikut:

Agio saham Program MESOP Tahap I Rp200 (Rupiah penuh) per saham 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	<u>23,37</u>

Program MESOP Tahap I telah dilaksanakan tanggal 1 Agustus 2016 - 13 September 2016, tanggal 1 Februari 2017 - 13 Maret 2017, tanggal 1 Agustus 2017 - 13 September 2017, tanggal 1 Februari 2018 - 15 Maret 2018, tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, dan tanggal 1 Agustus 2019 - 11 September 2019 dengan harga Rp450 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 31.774.500 lembar saham atau 100% dari 31.774.500 hak opsi saham yang diberikan pada Tahap I dengan jumlah nominal sebesar Rp14.298.525.000 (Rupiah penuh).

Program MESOP Tahap II telah dilaksanakan tanggal 1 Agustus 2017 - 13 November 2017, dan tanggal 1 Februari 2018 - 15 Maret 2018, tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, tanggal 1 Agustus 2019 - 11 September 2019, dan tanggal 3 Februari 2020 - 16 Maret 2020 dengan harga Rp409 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 31.774.500 lembar saham atau 100% dari 31.774.500 hak opsi saham yang diberikan pada Tahap II dengan jumlah nominal sebesar Rp12.995.770.500 (Rupiah penuh).

Program MESOP Tahap III telah dilaksanakan tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, tanggal 1 Agustus 2019 - 11 September 2019, dan tanggal 3 Februari 2020 - 16 Maret 2020 dengan harga Rp599 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 34.264.100 lembar saham atau 80,88% dari 42.366.000 hak opsi saham yang diberikan pada Tahap III dengan jumlah nominal sebesar Rp20.524.195.900 (Rupiah penuh).

23. OTHER PAID-IN CAPITAL – NET (continued)

MESOP Program as much as 105,915,000 shares, started 2015 to the management and employee of the Bank and will be expire in 2020. Up to now 97,813,100 MESOP shares have been executed, resulting shares agio additional:

6,36	<i>Share Agio MESOP Program Phase I Rp200 (Rupiah) per share executed 31,774,500 shares.</i>
5,05	<i>Share Agio MESOP Program Phase II Rp159 (Rupiah) per share executed 31,774,500 shares</i>
11,96	<i>Share Agio MESOP Program Phase III Rp349 (Rupiah) per share executed 34,264,100 shares</i>
<u>23,37</u>	<i>Share Agio MESOP Program</i>

The MESOP Program Phase I has been implemented from August 1, 2016 - September 13, 2016, February 1, 2017 - March 13, 2017, August 1, 2017 - September 13, 2017, February 1, 2018 - March 15, 2018, August 1, 2018 - September 14, 2018, February 1, 2019 - March 18, 2019, 2019 - September 11, 2019, and February 3, 2020 - March 16, 2020 at Rp450 per share with the total number of shares purchased by participants is 31,774,500 shares, or 100% of 31,774,500 shares option rights granted in Phase I with a total nominal amount of Rp14,298,525,000 (full Rupiah).

The MESOP Program Phase II has been implemented from August 1, 2017 - September 13, 2017, February 1, 2018 - March 15, 2018, August 1, 2018 - September 14, 2018, February 1, 2019 - March 18, 2019, August 1, 2019 - September 11, 2019, and February 3, 2020 - March 16, 2020 at Rp 409 per share, with the total number of shares purchased by participants is 31,774,500 shares or 100% of 31,774,500 shares option rights granted in Phase II with a total nominal amount of Rp 12,995,770,500 (full Rupiah).

The MESOP Program Phase III has been implemented from August 1, 2018 - September 14, 2018, February 1, 2019 - March 18, 2019, August 1, 2019 - September 11, 2019, and February 3, 2020 - March 16, 2020 at Rp599 per share, with the total number of shares purchased by participants is 34,264,100 shares or 80,88% of 42,366,000 shares option rights granted in Phase III with a total nominal amount of Rp20,524,195,900 (full Rupiah).

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24. PENERUSAN KREDIT

Bank mengadakan perjanjian dengan berbagai pihak penyedia dana untuk menyalurkan kredit ke sektor usaha tertentu yang ditetapkan oleh pihak penyedia dana. Bank tidak menanggung risiko atas kredit yang disalurkan tersebut, tetapi berkewajiban melaksanakan, menatausahakan dan mengelola dana kredit yang dikeluarkan dan sebagai imbalan Bank menerima jasa administrasi atas penerusan kredit sebesar 1% dari kredit yang disalurkan.

a. Bank Indonesia

Pada tanggal 26 November 1998, 21 November 1999 dan 11 Agustus 1999, Bank mengadakan perjanjian kerjasama dengan Bank Indonesia untuk menyalurkan kredit likuiditas Bank Indonesia, masing-masing dalam bentuk "Kredit Likuiditas Usaha Angkutan Umum Bus Perkotaan" (KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) dan "Kredit Usaha Tani" (KUT).

b. Pemerintah Provinsi Jawa Timur

Berdasarkan amandemen perjanjian No.518/6533/021/2016 dan No.054/088/IV/2016/PKS/DIR/KRD.AGR.RTL tanggal 18 April 2016, Bank mengadakan perjanjian kerjasama untuk jangka waktu 5 (lima) tahun dengan Pemerintah Provinsi Jawa Timur untuk menyalurkan dana bergulir sebagai tambahan modal kerja bagi usaha kecil, menengah dan koperasi dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur dalam rangka meningkatkan kegiatan Usaha Ekonomi Produktif Usaha Kecil Menengah dan Koperasi dan saat ini sedang dalam proses perpanjangan jangka waktu pinjaman.

c. Kementerian Koperasi dan Usaha Kecil dan Menengah

Bank sebagai penyalur dana bergulir yang bersumber dari dana APBN mengadakan Perjanjian Kerjasama dengan Kementerian Koperasi dan Usaha Kecil dan Menengah untuk Program Pengembangan Pengusaha Mikro dan Kecil, melalui:

- Penguatan modal Koperasi Simpan Pinjam (KSP) sektor agribisnis untuk mensukseskan program Pemerintah yang meliputi penyaluran, pemanfaatan, pengembalian serta terwujudnya peningkatan dan pengembangan usaha agribisnis anggota koperasi dan masyarakat berdasarkan perjanjian tanggal 19 Januari 2004 dengan jangka waktu 25 tahun.
- Program Penyediaan Modal dan Padanan (MAP) Awal bagi usaha kecil, menengah dan koperasi melalui KSP/USP koperasi dengan tujuan mengembangkan usaha UKM pada sentra yang belum tersedia pembiayaan secara memadai berdasarkan perjanjian tanggal 8 November 2003 dan perjanjian ini berakhir atas kesepakatan kedua belah pihak.

24. CHANNELING LOANS

The Bank entered into agreements with lenders to distribute credit for certain business sectors as determined by the lenders. The Bank does not have any credit risk pertaining to the channeling loans, but it is responsible to implement, administer and manage the funds distributed and the Bank collects an administration fee for channeling loans of 1% of the loans disbursed.

a. Bank Indonesia

On November 26, 1998, November 21, 1999 and August 11, 1999, the Bank entered into cooperation agreements with Bank Indonesia to distribute liquidity credits on behalf of Bank Indonesia in the form of "Kredit Likuiditas Usaha Angkutan Umum Bus Perkotaan" (KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) and "Kredit Usaha Tani" (KUT).

b. Government of East Java Province

Based on an amendment agreement No.518/6533/021/2016 and No.054/088/IV/2016/PKS/DIR/KRD.AGR.RTL, dated April 18, 2016, the Bank entered into a 5 (five) years cooperation agreement with the Government of East Java Province to distribute revolving funds for additional working capital for Small and Medium Scale Enterprises and Cooperatives in order to assist the Government of East Java Province's program involving the improvement of Small and Medium Scale Enterprises and Cooperatives and currently in processing for loan period extension.

c. Ministry of Cooperatives and Small and Medium Scale Enterprises

Bank as a channeling of revolving funds sourced from APBN funds with Cooperation Agreement with Ministry of Cooperatives and Small and Medium Enterprises for Small and Micro Entrepreneur Development Program, through:

- Strengthening the capital of cooperatives in the agribusiness sector in order to successfully implement the improvement programs for the members of cooperatives and society based on agreement dated January 19, 2004 for a period of 25 years.
- 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.

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24. PENERUSAN KREDIT (lanjutan)

d. Kementerian Keuangan Republik Indonesia

Pada tanggal 4 Agustus 1993, Bank mengadakan perjanjian kerjasama dengan Departemen Keuangan Republik Indonesia untuk meneruskan pinjaman Pemerintah dari *Islamic Development Bank* (IDB) dalam rangka membiayai proyek Rumah Sakit Islam Surabaya.

e. Yayasan Dana Sejahtera Mandiri

Pada tanggal 19 Juli 1999, Bank mengadakan perjanjian kerjasama dengan para pihak, yaitu:

- 1) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Pertanian dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui pengembangan usaha agribisnis dengan Kredit Taskin Agribisnis.
- 2) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Koperasi Pengusaha Kecil dan Menengah dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui Usaha Kecil, Menengah dan Koperasi (UKMK) dengan Kredit Taskin UKMK.
- 3) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Perindustrian dan Perdagangan dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui pengembangan industri kecil dan kerajinan rakyat dengan kredit Taskin Industri Kecil dan Kerajinan Rakyat (Taskin Inkra).

f. Dinas Koperasi dan Pengusaha Kecil dan Menengah Provinsi Jawa Timur

Bank mengadakan perjanjian kerjasama untuk jangka waktu 5 tahun dengan Dinas Koperasi Pengusaha Kecil dan Menengah Provinsi Jawa Timur untuk menyalurkan dana bergulir yang bersumber dari Anggaran Pendapatan Belanja Daerah (APBD) Propinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur yang meliputi penyaluran kredit dan penggunaan dana, pembinaan, pemantauan dan pengawasan, pengembalian serta pemanfaatan dana bergulir oleh koperasi. Berdasarkan amandemen perjanjian tanggal 6 Desember 2013, perjanjian jatuh tempo pada tanggal 16 Desember 2016. Pada tanggal 10 Agustus 2016, telah dilakukan perpanjangan dengan jangka waktu 3 (tiga) tahun berdasarkan perjanjian No.518/15709/ 108.5/2016 dan No.054/210/SP/DIR/KRD. AGR.RTL.

24. CHANNELING LOANS (continued)

d. Finance Ministry of the Republic of Indonesia

On August 4, 1993, the Bank entered into a cooperation agreement with the Finance Department of the Republic of Indonesia. Under this agreement, the Bank will distribute Government loans from the *Islamic Development Bank* (IDB) to finance the development of the Surabaya Islamic Hospital.

e. Dana Sejahtera Mandiri Foundation

On July 19, 1999, the Bank entered into cooperation agreements with the following parties:

- 1) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Agriculture Department and Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through agribusiness development involving loans in the form of Kredit Taskin Agribisnis.
- 2) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Cooperatives Department and Small and Medium Scale Enterprises Division and the Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through Small and Medium Scale Enterprises and Cooperatives (Usaha Kecil, Menengah dan Koperasi-UKMK) involving loans in the form of Kredit Taskin UKMK.
- 3) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Industrial and Trading Department and Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through small scale industry and home industry development involving loans in the form of Kredit Taskin Industri Kecil dan Kerajinan Rakyat (Taskin Inkra).

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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24. PENERUSAN KREDIT (lanjutan)

- f. Dinas Koperasi dan Pengusaha Kecil dan Menengah Propinsi Jawa Timur (lanjutan)

Pada tanggal 18 Oktober 2019 telah dilakukan perpanjangan dengan jangka waktu 5 (lima) tahun berdasarkan perjanjian No.518/19535/115.5/2019 dan 058/245/PKS/DIR/KMRP.

- g. Departemen Kehutanan dan Perkebunan Republik Indonesia

Pada tanggal 23 Juli 1999, Bank mengadakan kerjasama dengan Departemen Kehutanan dan Perkebunan Republik Indonesia sebagai penyalur Kredit Usaha Hutan Rakyat yang bertujuan untuk pengembangan Usaha Hutan Rakyat.

- h. Yayasan Abadi Karya Bhakti

Pada tanggal 9 Januari 1999, Bank mengadakan perjanjian kerjasama dengan Yayasan Abadi Karya Bhakti dan Menteri Negara Koordinator Bidang Kesra dan Taskin serta Departemen Pertanian untuk menyelenggarakan Kredit Taskin Agribisnis. Jangka waktu kerjasama terhitung sejak kesepakatan ini ditandatangani sampai dengan seluruh kredit yang disalurkan dilunasi.

- i. Dinas Peternakan Provinsi Jawa Timur

Berdasarkan perjanjian No. 900/8176/122.5/2020 dan No.059/161/SP/DIR/KMRP tanggal 21 September 2020, Bank mengadakan perjanjian kerjasama untuk jangka waktu 3 (tiga) tahun dengan Dinas Peternakan Provinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur yang meliputi penyaluran pinjaman dan penggunaan dana, pembinaan, pemantauan, pengawasan dan pengembalian serta pemanfaatan dana bergulir oleh Koperasi Unit Desa (KUD) untuk Koperasi Persusuan dalam rangka pengadaan peralatan peternakan guna perbaikan kualitas susu sapi perah rakyat. Dalam perjanjian tersebut, Bank sebagai penyalur dana bergulir modal pengadaan peralatan peternakan untuk perbaikan kualitas susu bagi KUD untuk Koperasi Persusuan yang bersumber dari APBD Provinsi Jawa Timur sub sektor peternakan.

24. CHANNELING LOANS (continued)

- f. Cooperatives and Small and Medium Enterprises Department of East Java Province (cpntinued)

On October 18, 2019, the agreement has been extended for a period of 5 (five) years based on agreement No.518/19535/115.5/2019 and 058/245/PKS/DIR/KMRP.

- g. Forestry and Plantation Department of the Republic of Indonesia

On July 23, 1999, the Bank entered into a cooperation agreement with the Forestry and Plantation Department of the Republic of Indonesia for distribution of loans for the purpose of the People's Forestry Business Development activities.

- h. Abadi Karya Bhakti Foundation

On January 9, 1999, the Bank entered into a cooperation agreement with the Abadi Karya Bhakti Foundation and the Coordinating State Minister of People's Welfare and Poverty Eradication Division and the Agriculture Department to manage loans involving Kredit Taskin Agribisnis for the period from the signing of the agreement until repayment of all loans.

- i. Livestock Division of East Java Province (Dinas Peternakan Propinsi Jawa Timur)

Based on an agreement No.900/8176/122.5/2020 and No.059/161/SP/DIR/KMRP dated September 21, 2020, the Bank entered into a cooperation agreement for a period of 3 (three) years with the Livestock Division of East Java Province in order to provide assistance to the Government of East Java Province in its program for loan distribution and utilization, directing, monitoring, supervising and repayment and utilization of revolving funds by Village Union - KUD for Milk Union in connection with the procurement of equipment to improve the quality of milk produced by farmers. In accordance with this agreement, the Bank acts as agent for revolving funds from the Regional Income and Expenditures Budget of the East Java Province Livestock Sector Division.

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24. PENERUSAN KREDIT (lanjutan)

i. Dinas Peternakan Provinsi Jawa Timur (lanjutan)

Rincian saldo kredit kelolaan berdasarkan penyedia dana adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>
Bank Indonesia	402.599	402.672
Pemerintah Provinsi Jawa Timur	89.591	103.006
Kementerian Koperasi dan Usaha Kecil dan Menengah	55.529	55.931
Departemen Keuangan Republik Indonesia	61.041	60.174
Yayasan Dana Sejahtera Mandiri	15.942	15.942
Departemen Kehutanan dan Perkebunan Republik Indonesia	15.326	15.326
Dinas Koperasi dan Pengusaha Kecil dan Menengah	13.976	14.622
Yayasan Abadi Karya Bhakti	6.038	6.038
Dinas Peternakan Provinsi Jawa Timur	2.126	1.876
Jumlah	<u>662.168</u>	<u>675.587</u>

Rincian saldo kredit kelolaan berdasarkan sektor ekonomi adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>
Jasa kemasyarakatan dan sosial budaya	476.206	475.831
Jasa kesehatan dan kegiatan sosial	61.041	60.174
Pertanian, perburuan dan kehutanan	48.491	52.782
Perdagangan besar dan eceran dan minuman	40.285	44.715
Industri pengolahan	9.361	9.504
Perikanan	8.551	10.436
Kegiatan yang belum jelas batasannya	7.050	8.711
Perantara keuangan	6.158	6.353
Jasa perorangan melayani rumah tangga	4.159	5.926
Jasa perorangan melayani rumah tangga	528	605
Transportasi, perdagangan dan komunikasi	252	439
Real estate, usaha persewaan dan jasa	51	51
Konstruksi	27	52
Pertambangan dan penggalian	8	8
Jumlah	<u>662.168</u>	<u>675.587</u>

24. CHANNELING LOANS (continued)

i. Livestock Division of East Java Province (Dinas Peternakan Propinsi Jawa Timur) (continued)

The details of balances of channeling loans based on the sources of funds (lenders) are as follows:

	<u>2021</u>	<u>2020</u>
Bank Indonesia	402.599	402.672
Government of East Java Province	89.591	103.006
The Ministry of Cooperatives Small and Medium Scale Enterprises	55.529	55.931
Department of Finance of the Republic of Indonesia	61.041	60.174
Dana Sejahtera Mandiri Foundation	15.942	15.942
Forestry and Plantation Department of the Republic of Indonesia	15.326	15.326
Department of Cooperatives and Small and Medium Enterprises	13.976	14.622
Abadi Karya Bhakti Foundation	6.038	6.038
Livestock Division of East Java Province	2.126	1.876
Total	<u>662.168</u>	<u>675.587</u>

The details of balances of channeling loans based on economic sector are as follows:

	<u>2021</u>	<u>2020</u>
Social culture and community services	476.206	475.831
Health service and social activities	61.041	60.174
Agriculture, hunting and forestry	48.491	52.782
Wholesale and retail and beverages	40.285	44.715
Processing industry	9.361	9.504
Fishery	8.551	10.436
Undefined activities	7.050	8.711
Financial intermediary	6.158	6.353
Individual service which serve households	4.159	5.926
Transportation, trading and communication	528	605
Real estate, rental and business services	252	439
Construction	51	51
Mining and quarrying	27	52
	8	8
Total	<u>662.168</u>	<u>675.587</u>

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25. KOMITMEN DAN KONTINJENSI

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi dengan rincian sebagai berikut:

	<u>2021</u>	<u>2020</u>
KOMITMEN		
Tagihan komitmen		
Rupiah:		
Lainnya	908.956	878.336
	<u>908.956</u>	<u>878.336</u>
Liabilitas komitmen		
Rupiah		
Fasilitas kredit kepada debitur yang belum digunakan	3.181.980	3.727.461
Total liabilitas komitmen, neto	<u>2.273.024</u>	<u>2.849.125</u>
KONTINJENSI		
Tagihan kontinjensi		
Rupiah:		
Pendapatan bunga dalam penyelesaian	195.337	154.952
Lainnya	13	13
	<u>195.350</u>	<u>154.965</u>
Liabilitas kontinjensi		
Rupiah		
Bank garansi yang diberikan	1.118.753	1.019.602
Mata uang asing		
Bank garansi yang diberikan	42.758	42.150
	<u>1.161.511</u>	<u>1.061.752</u>
Total liabilitas kontinjensi, neto	<u>966.161</u>	<u>906.787</u>
Total liabilitas komitmen dan kontinjensi, neto	<u><u>3.239.185</u></u>	<u><u>3.755.912</u></u>

Pada tanggal 31 Desember 2021 dan 2020, Bank tidak mempunyai tagihan dan liabilitas komitmen dan kontinjensi kepada pihak berelasi.

26. PENDAPATAN BUNGA DAN SYARIAH

	<u>2021</u>	<u>2020</u>
Pihak berelasi (Catatan 36)		
Kredit yang diberikan	11.501	39.988
Margin dan pendapatan bagi hasil	439	2.930
Pihak ketiga		
Kredit yang diberikan	4.429.281	4.302.894
Penempatan pada Bank Indonesia dan bank lain	783.576	544.780
Surat berharga		
Biaya perolehan diamortisasi	1.189.657	958.361
Margin dan pendapatan bagi hasil	126.018	126.406
Provisi	76.906	75.787
Sertifikat Bank Indonesia	19.077	31.278
Lainnya	18.713	6.318
Jumlah	<u><u>6.655.168</u></u>	<u><u>6.088.742</u></u>

25. 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, 2021 and 2020, the Bank has no outstanding commitment and contingent receivables and liabilities involving related parties.

26. INTEREST AND SHARIA INCOME

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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27. BEBAN BUNGA DAN SYARIAH

	<u>2021</u>
Deposito berjangka	1.501.177
Tabungan	260.600
Giro	194.966
Pinjaman yang diterima	16.129
Bagi hasil <i>mudharabah</i>	3.952
Premium surat berharga	482
Beban bunga kredit	181
Premi penjaminan Pemerintah	-
Premi asuransi lainnya	-
Jumlah	<u>1.977.487</u>

Beban bunga kepada pihak berelasi diungkapkan pada (Catatan 36).

28. PENDAPATAN OPERASIONAL LAINNYA

	<u>2021</u>
Pemulihan kerugian penurunan nilai atas aset keuangan	361.666
Administrasi giro, tabungan dan deposito	172.779
Penerimaan kembali kredit hapus buku	55.003
Administrasi kredit	34.055
Provisi dan komisi selain dari kredit yang diberikan	5.225
Lainnya	177.629
Jumlah	<u>806.357</u>

29. PENYISIHAN KERUGIAN PENURUNAN NILAI ATAS ASET KEUANGAN

	<u>2021</u>
Kredit yang diberikan	
Modal kerja	261.450
Konsumsi	149.514
Investasi	22.153
	<u>433.117</u>
Aset keuangan lainnya	
Penempatan pada Bank Indonesia dan bank lain	1.148
Giro pada bank lain	-
Surat berharga	(2.174)
Estimasi kerugian komitmen dan kontinjensi	(16)
Aset lain-lain	25.460
Jumlah	<u>457.535</u>

27. INTEREST AND SHARIA EXPENSE

	<u>2020</u>	
	1.330.649	<i>Time deposits</i>
	302.491	<i>Savings accounts</i>
	222.465	<i>Current accounts</i>
	30.450	<i>Borrowings</i>
	4.659	<i>Mudharabah profit-sharing expense</i>
	121	<i>Premium on marketable securities</i>
	216	<i>Loan interest expense</i>
	133.284	<i>Premium on Government guarantee</i>
	7.137	<i>Other insurance premium</i>
	<u>2.031.472</u>	Total

Interest expense involving related parties is disclosed in (Note 36).

28. OTHER OPERATING INCOME

	<u>2020</u>	
	-	<i>Reversal for impairment losses on financial assets</i>
	162.607	<i>Current accounts, savings and deposits administration fees</i>
	55.055	<i>Collection of loans written-off</i>
	41.357	<i>Loan administration fees</i>
	5.613	<i>Fees and commissions from other than loans</i>
	153.239	<i>Others</i>
	<u>417.871</u>	Total

29. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	<u>2020</u>	
	301.717	<i>Loans</i>
	70.445	<i>Working capital</i>
	194.510	<i>Consumption</i>
	<u>566.672</u>	<i>Investment</i>
		<i>Other financial assets</i>
	(1.562)	<i>Placement with Bank Indonesia and other banks</i>
	28	<i>Current accounts with other banks</i>
	2.944	<i>Marketable securities</i>
	(331)	<i>Estimated losses on commitments and contingencies</i>
		<i>Other assets</i>
	<u>567.751</u>	Total

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30. BEBAN TENAGA KERJA DAN TUNJANGAN KARYAWAN

	<u>2021</u>	<u>2020</u>
Gaji pegawai	476.380	452.574
Bonus pegawai	380.767	372.824
Tambahan penghasilan pegawai	250.455	159.614
Asuransi dan iuran dana pensiun	216.652	170.670
Sewa tenaga kerja	121.035	133.319
Tunjangan pajak penghasilan pegawai	68.180	64.648
Imbalan kerja	41.916	70.875
Pengobatan	27.412	34.926
Pendidikan dan latihan	24.826	46.838
Gaji Direksi	8.407	8.195
Honorarium Dewan Komisaris	7.186	8.741
Tambahan penghasilan Direksi	3.918	4.030
Rekreasi dan olahraga	2.974	3.134
Tambahan penghasilan Komisaris	1.726	2.163
Perumahan Direksi	1.656	1.951
Lainnya	11.407	10.030
Jumlah	<u>1.644.897</u>	<u>1.544.532</u>

30. SALARIES AND EMPLOYEE BENEFITS EXPENSES

<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>Employee benefit</i>
<i>Medical</i>
<i>Education and training</i>
<i>Directors' salaries</i>
<i>Commissioners' honoraria</i>
<i>Additional compensation for Directors</i>
<i>Recreation and sport</i>
<i>Additional compensation for Commissioners</i>
<i>Housing for Directors</i>
<i>Others</i>
Total

31. BEBAN UMUM DAN ADMINISTRASI

	<u>2021</u>	<u>2020</u>
Amortisasi beban ditangguhkan	209.653	62.867
Premi asuransi pertanggungan lainnya	201.506	20.196
Sewa	128.757	54.487
Penyusutan aset tetap (Catatan 13)	113.934	109.944
Jasa otomasi	97.937	107.984
Pemeliharaan	63.022	52.234
Alat tulis dan barang cetak	42.333	44.659
Perjalanan dinas	40.424	36.350
Listrik, air dan telekomunikasi	36.274	38.710
Pengawasan, pemeriksaan dan jasa tenaga ahli	23.771	22.974
Promosi	23.227	30.595
Sumbangan	19.684	22.883
Tanggung jawab sosial dan lingkungan	18.092	21.953
Pajak lainnya	14.584	4.243
Keamanan	9.466	9.419
Surat Dinas	3.459	3.286
Pajak Reklame	1.208	-
Pajak Bumi dan Bangunan (PBB)	1.192	-
Penagihan	1.143	1.172
Pajak Penghasilan	924	-
Koran dan Majalah	550	-
Pajak kendaraan bermotor	526	-
Bursa Efek	275	-
Lainnya	26.879	40.260
Jumlah	<u>1.078.820</u>	<u>684.216</u>

31. GENERAL AND ADMINISTRATIVE EXPENSES

<i>Amortization of deferred charges</i>
<i>Other insurance premiums</i>
<i>Rental</i>
<i>Depreciation of fixed assets (Note 13)</i>
<i>Automation services</i>
<i>Maintenance</i>
<i>Stationery and printed materials</i>
<i>Official/business travel</i>
<i>Electrical, water and telecommunications</i>
<i>Supervision, audit and professional services</i>
<i>Promotion</i>
<i>Donations</i>
<i>Social and environment responsibility</i>
<i>Other taxes</i>
<i>Security</i>
<i>Mail Service</i>
<i>Advertising tax</i>
<i>Land and building tax fees (PBB)</i>
<i>Collection</i>
<i>Income Tax</i>
<i>Newspaper and Magazine</i>
<i>Motor Vehicle Tax</i>
<i>Stock Exchange</i>
<i>Others</i>
Total

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32. BEBAN LAINNYA

	<u>2021</u>	<u>2020</u>
Tanda mata, hadiah dan umum	78.369	88.345
Kliring dan <i>transfer</i>	47.224	48.015
Rapat dan jamuan tamu	9.862	9.031
Penelitian dan pengembangan	7.115	13.026
Kegiatan keagamaan	1.849	1.221
Provisi, komisi dan <i>fee</i>	25	22
Lainnya	5.576	2.705
Jumlah	<u>150.020</u>	<u>162.365</u>

33. PENDAPATAN NON OPERASIONAL

	<u>2021</u>	<u>2020</u>
Fee jasa pelayanan pajak	4.684	10.063
Keuntungan atas penjualan aset tetap	3.952	2.670
Keuntungan selisih kurs	3.497	2.255
Keuntungan penjualan efek-efek neto	131	-
Lainnya	404.119	16.688
	<u>416.383</u>	<u>31.676</u>

34. BEBAN NON OPERASIONAL LAINNYA

Pada tanggal 31 Desember 2021 dan 2020, saldo beban non operasional lainnya masing-masing sebesar Rp269.509 dan Rp40.586.

35. LABA PER SAHAM DASAR

	<u>2021</u>	<u>2020</u>
Laba untuk perhitungan laba per saham dasar	1.523.070	1.488.962
Rata-rata tertimbang jumlah saham	15.015.498.082	15.015.498.082
Laba per saham dasar (dalam Rupiah penuh)	<u>101,43</u>	<u>99,16</u>

32. OTHER EXPENSES

*Souvenirs, gifts and general
Clearing and transfers
Meetings and entertainment
Research and development
Religious activities
Provision, commission and fee
Others
Total*

33. NON OPERATING INCOME

*Tax service fees
Gain on sale of fixed asset - net
Gain on foreign exchange
Gain on sale of securities - net
Others*

34. NON OPERATING EXPENSE

As of December 31, 2021 and 2020, the balance of non operating expense amounted Rp269,509 and Rp40,586, respectively

35. BASIC EARNINGS PER SHARE

*Income for computation of
basic earnings per share
Weighted average number of shares
Basic earnings per share
(in full Rupiah)*

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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 Provinsi 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
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 officer s

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36. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

36. TRANSACTIONS WITH RELATED PARTIES (continued)

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:

	<u>2021</u>	<u>2020</u>	
ASET			ASSETS
Kredit yang diberikan dan pembiayaan syariah (catatan 10)			Loans and sharia financing (note 10)
Pinjaman manajemen kunci	112.529	115.072	Loans to key managements
RSUD Dr. Soedono Madiun	34.840	46.139	RSUD Dr. Soedono Madiun
PT BPR Jawa Timur	29.851	50.791	PT BPR Jawa Timur
RSUD Dr. Soetomo	-	69.521	RSUD Dr. Soetomo
Lain-lain	5.669	4.072	Others
Jumlah	182.889	285.595	Total
Persentase terhadap jumlah aset	<u>0,18%</u>	<u>0,34%</u>	Percentage to total assets
LIABILITAS			LIABILITIES
Simpanan dari nasabah (Catatan 16)	<u>17.722.756</u>	<u>14.375.132</u>	Deposits from customers (Note 16)
Persentase terhadap jumlah liabilitas	<u>19,73%</u>	<u>19,53%</u>	Percentage to total liabilities
Simpanan dari bank lain (Catatan 17)			Deposits from other banks (Note 17)
PT BPR Jawa Timur	360.169	238.798	PT BPR Jawa Timur
Jumlah	360.169	238.798	Total
Persentase terhadap jumlah liabilitas	<u>0,40%</u>	<u>0,32%</u>	Percentage to total liabilities
LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN			PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Pendapatan bunga (Catatan 26)	<u>11.940</u>	<u>42.918</u>	Interest income (Note 26)
Persentase terhadap jumlah pendapatan bunga dan syariah	<u>0,18%</u>	<u>0,70%</u>	Percentage to total interest and sharia income
Beban bunga dan syariah	<u>143.778</u>	<u>547.597</u>	Interest and sharia expenses
Persentase terhadap jumlah beban bunga dan syariah	<u>7,27%</u>	<u>26,96%</u>	Percentage to total interest and sharia expenses

Komitmen dan kontinjensi

Commitments and contingencies

Tidak terdapat saldo komitmen dan kontinjensi kepada pihak berelasi untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2021 dan 2020.

There were no commitments and contingencies involving related parties as of December 31, 2021 and 2020.

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36. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

Kompensasi manajemen kunci

Kompensasi kepada personil manajemen kunci Bank (di luar Komisaris dan Direksi) adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>
Gaji	20.820	20.372
Jasa produksi	11.492	10.733
Tunjangan	10.401	8.632
Jumlah	<u>42.713</u>	<u>39.737</u>

Jumlah remunerasi yang telah dan akan dibayar untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020 untuk Dewan Komisaris, masing-masing adalah Rp20.458 dan Rp17.652 dan untuk Direksi, masing-masing adalah Rp35.164 dan Rp23.440.

37. INFORMASI SEGMENT USAHA

Informasi yang berkaitan dengan segmen usaha yang operasi dari Bank disajikan dalam tabel di bawah ini:

	<u>2021</u>			
	<u>Konvensional/ Conventional</u>	<u>Syariah/ Sharia</u>	<u>Eliminasi/ Elimination</u>	<u>Jumlah/ Total</u>
Pendapatan segmen	8.101.453	171.729	1.618.014	6.655.168
Beban segmen	(3.606.519)	(62.704)	(1.691.736)	(1.977.487)
Pendapatan segmen - neto	<u>4.494.934</u>	<u>109.025</u>	<u>(73.722)</u>	<u>4.677.681</u>
Pendapatan operasional lainnya	864.901	19.993	78.537	806.357
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(746.094)	(47.646)	25.461	(819.201)
Beban operasional lainnya	<u>(2.831.764)</u>	<u>(67.433)</u>	<u>(25.460)</u>	<u>(2.873.737)</u>
Laba operasional	1.781.977	13.939	4.816	1.791.100
Pendapatan (beban) bukan operasional - neto	141.646	410	(4.818)	146.874
Beban pajak - neto	(414.904)	-	-	(414.904)
Laba (rugi) periode berjalan	<u>1.508.719</u>	<u>14.349</u>	<u>(2)</u>	<u>1.523.070</u>
Jumlah aset	<u>97.403.604</u>	<u>3.836.795</u>	<u>(517.069)</u>	<u>100.723.330</u>

36. TRANSACTIONS WITH RELATED PARTIES (continued)

Compensation of key management personnel

The compensation of key management personnel of the Bank (excluding Commissioners and Directors) are follows:

	<u>2021</u>	<u>2020</u>	
Gaji	20.820	20.372	Salary
Jasa produksi	11.492	10.733	Production bonus
Tunjangan	10.401	8.632	Allowance
Jumlah	<u>42.713</u>	<u>39.737</u>	Total

Total remuneration paid and payable for the years ended December 31, 2021 and 2020 to the Board of Commissioners were Rp20,458 and Rp17,652, respectively, and to the Board of Directors were Rp35,164 and Rp23,440 respectively.

37. SEGMENT INFORMATION

Information concerning the operating segment information of the Bank is set out in the table below:

Segment income
Segment expenses
Segment Income - net
Other operating income
Provision for impairment losses on financial and non-financial assets
Other operating expenses
Income from operations
Non-operating income (expenses) - net
Tax expense - net
Profit (loss) for the period
Total assets

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37. INFORMASI SEGMENT USAHA (lanjutan)

Informasi yang berkaitan dengan segmen usaha yang operasi dari Bank disajikan dalam tabel di bawah ini (lanjutan):

	2020				
	Konvensional/ <i>Conventional</i>	Syariah/ <i>Sharia</i>	Eliminasi/ <i>Elimination</i>	Jumlah/ <i>Total</i>	
Pendapatan segmen	7.559.870	170.250	-	7.730.120	<i>Segment income</i>
Beban segmen	(3.546.855)	(61.361)	-	(3.608.216)	<i>Segment expenses</i>
Pendapatan segmen - neto	4.013.015	108.889	-	4.121.904	<i>Segment Income - net</i>
Pendapatan operasional lainnya	832.456	14.765	-	847.221	<i>Other operating income</i>
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(895.465)	(17.198)	-	(912.663)	<i>Provision for impairment losses on financial and non-financial assets</i>
Penyisihan kerugian komitmen dan kontinjensi	1.413	-	-	1.413	<i>Provision for losses on commitment and contingencies</i>
Beban operasional lainnya	(2.435.983)	(95.551)	-	(2.531.534)	<i>Other operating expenses</i>
Laba operasional	1.515.436	10.905	-	1.526.341	<i>Income from operations</i>
Pendapatan (beban) bukan operasional - neto	(19.272)	299	-	(18.973)	<i>Non-operating income (expenses) - net</i>
Beban pajak - neto	(18.406)	-	-	(18.406)	<i>Tax expense - net</i>
Laba (rugi) periode berjalan	1.477.758	11.204	-	1.488.962	<i>Profit (loss) for the period</i>
Jumlah aset	81.078.915	3.069.058	(528.521)	83.619.452	<i>Total assets</i>

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.

37. SEGMENT INFORMATION (continued)

Information concerning the operating segment information of the Bank is set out in the table below (continued):

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.

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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 strategi dan risiko kepatuhan.

Setiap triwulan, Bank telah menyusun profil risiko yang secara garis besar dapat mencerminkan tingkat risiko yang dimiliki oleh Bank.

Kerangka manajemen risiko

Organisasi manajemen risiko Bank melibatkan pengawasan dari Dewan Komisaris, Direksi dan Komite Pemantau Risiko. Komite Pemantau Risiko merupakan pengawas risiko tertinggi di Dewan Komisaris. Komite Pemantau Risiko tersebut menyetujui dan memonitor pelaksanaan kerangka dan kebijakan manajemen risiko Bank. Dewan Komisaris mendelegasikan kuasa kepada Direktur Utama dan Direksi untuk mengimplementasikan strategi manajemen risiko. Komite Pemantau Risiko dibentuk oleh Direksi dan bertanggungjawab untuk mengelola risiko yang ada di Bank.

Kebijakan manajemen risiko Bank ditetapkan untuk mengidentifikasi dan menganalisa risiko-risiko yang dihadapi Bank, untuk menetapkan batasan risiko dan pengendalian yang sesuai, serta untuk mengawasi risiko dan kepatuhan terhadap batasan yang telah ditetapkan. Kebijakan dan sistem manajemen risiko ditelaah secara berkala untuk mencerminkan perubahan dalam kondisi pasar, produk, dan jasa yang ditawarkan. Bank, melalui pelatihan serta standar dan prosedur pengelolaan, berusaha untuk mengembangkan lingkungan pengendalian yang taat dan konstruktif, dimana semua karyawan memahami tugas dan kewajiban mereka.

Komite Audit Bank memiliki tanggung jawab untuk memantau kepatuhan terhadap kebijakan dan prosedur manajemen risiko, dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Bank. Dalam menjalankan fungsinya, Komite Audit dibantu oleh Satuan Kerja Audit Intern. Satuan Kerja Audit Intern secara berkala maupun sesuai kebutuhan, menelaah pengendalian dan prosedur manajemen risiko dan melaporkan hasilnya ke Komite Audit Bank.

Komite Pemantau Risiko mengawasi perkembangan kebijakan manajemen risiko dan menilai penerapannya. Komite juga memberikan nasihat mengenai strategi manajemen risiko yang harus digunakan oleh Bank. Dalam melaksanakan fungsi pengawasan, Komite Pemantau Risiko akan melakukan pengawasan dan evaluasi kinerja Komite Manajemen Risiko.

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 Board of Directors to implement the risk management strategy. The Risk Monitoring Committee is established by the Board of Directors and is responsible for managing risk of the Bank.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits determined. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Bank's Audit Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Audit Committee is assisted in these functions by Internal Audit Task Force. Internal Audit Task Force undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Bank's Audit Committee.

The Risk Monitoring Committee supervises the development of risk management policies and assesses the implementation. The Committee also provides advice on the risk management strategy to be employed by the Bank. In conducting its oversight role, the Risk Monitoring Committee will also monitor and evaluate the performance of the Risk Management Committee.

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39. RISIKO KREDIT (lanjutan)

Risiko kredit adalah risiko akibat wanprestasi debitur dan/atau pihak lawan (*counterparty*) dalam memenuhi liabilitas kepada Bank. Terhadap eksposur risiko kredit spesifik seperti kredit perorangan, fasilitas antar bank dan sebagainya, Bank melakukan evaluasi secara tersendiri dengan menggunakan faktor yang dapat saja berbeda, sesuai dengan karakteristik spesifik dari setiap jenis eksposur. Dalam mengelola risiko kredit, Bank telah memiliki kebijakan dan pedoman perkreditan, yang disempurnakan secara berkala, dengan tetap didasarkan pada prinsip pengelolaan risiko yang independen sesuai dengan peraturan Bank Indonesia dan peraturan eksternal lainnya.

Pengendalian risiko kredit terkait penyediaan dana dengan limit minimal tertentu harus melalui Komite Kebijakan Perkreditan. Dalam rangka pengendalian risiko kredit secara komprehensif, Bank terus meninjau dan menyempurnakan pelaksanaan fungsi pengendalian risiko kredit yang dijalankan oleh unit yang terekspos terhadap risiko diantaranya dengan pembentukan fungsi analisis kredit di cabang.

Pengelolaan risiko kredit yang lebih khusus dilakukan atas portofolio kredit yang bermasalah. Upaya yang dilakukan diantaranya adalah restrukturisasi fasilitas kredit yang bermasalah, pembentukan pencadangan untuk menutup potensi kerugian, hingga pelaksanaan hapus buku. Kebijakan pengelolaan kredit bermasalah telah dilaksanakan, termasuk pembentukan unit kerja khusus untuk mengelola kredit bermasalah.

Bank telah menjalankan proses identifikasi, pengukuran, pemantauan, dan pengendalian risiko yang mencakup profil risiko kredit secara terintegrasi dalam suatu proses manajemen risiko yang komprehensif.

a. Risiko kredit maksimum

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap risiko kredit sama dengan nilai tercatatnya. Untuk bank garansi yang diterbitkan, L/C dan SKBDN yang masih berjalan yang dapat dibatalkan, eksposur maksimum terhadap risiko kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika liabilitas atas bank garansi, L/C, dan SKBDN tersebut terjadi. Untuk fasilitas kredit kepada nasabah yang belum digunakan, eksposur maksimum terhadap risiko kredit adalah sebesar komitmen tersebut.

Eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administrasi, dinilai tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya.

39. CREDIT RISK (continued)

Credit risk is the risk of debtors and/or counterparties failure to fulfil their obligations to the Bank. In relation to the specific credit risk exposure such as individual credits, inter-bank facilities and others, the Bank separately evaluates credit risk based on factors which may be different, according to the specific characteristics of each exposure. In managing credit risk, the Bank has credit policies and standard operation procedures that are enhanced periodically in accordance with independent risk management principles based on Bank Indonesia regulations, and other external regulations.

Control of the credit risks related to the provision of funds above a certain minimum limit requires approval by the Credit Committee. In the comprehensive credit risk control, the Bank continuously reviews and improves the credit risk control function which is conducted by the risk taking unit, among others, by establishing a credit analyst function in the branch.

Specific credit risk management is performed on the non-performing loans portfolio. Such efforts, among others, are restructuring of non-performing loans, providing allowances to cover potential losses, and write-offs. Specific policy on non-performing loans management process has been implemented, including establishing special working units to handle such loans.

The Bank identifies, measures, monitors, and controls risks which include credit risk profiles integrated in a comprehensive risk management process.

a. Maximum credit risk

For financial assets recognized in the statements of financial position, the maximum exposure to credit risk equals their carrying amounts. For the bank guarantees issued and outstanding revocable L/Cs and Domestic L/Cs, the maximum exposure to credit risk is the maximum amount that the Bank has to pay if the obligations under the bank guarantees issued and outstanding revocable L/Cs and Domestic L/Cs are called upon. For unused loans commitments granted to customers, the maximum exposure to credit risk is the committed amount.

The Bank's maximum exposure to credit risk of statements of financial position and administrative accounts financial instruments, is valued without taking into account any collateral held or other credit enhancement.

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39. RISIKO KREDIT (lanjutan)

b. Risiko konsentrasi kredit

Pada tanggal 31 Desember 2021 dan 2020, pengungkapan risiko kredit maksimum berdasarkan konsentrasi sebelum memperhitungkan agunan yang dimiliki dan perjanjian master netting adalah sebagai berikut:

Konsentrasi risiko kredit berdasarkan geografis

	2021					Jumlah/ Total	
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others		
Posisi keuangan							Financial position
Giro pada Bank Indonesia	-	8.805.300	-	-	-	8.805.300	Current accounts with Bank Indonesia
Giro pada bank lain	-	211.443	-	-	-	211.443	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	1.152.001	5.705.135	538.000	449.000	2.071.796	9.915.932	Placements with Bank Indonesia and other banks
Surat berharga							Marketable securities
Biaya perolehan diamortisasi	-	20.828.263	-	-	-	20.828.263	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	-	11.554.760	-	-	-	11.554.760	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	-	3.420.685	-	-	-	3.420.685	Marketable securities purchased under resale agreement
Tagihan lainnya	230.019	-	-	-	-	230.019	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	7.404.378	987.389	71.261	996	12.400	8.476.424	Working capital
Investasi	2.715.972	2.267.500	110.798	473.626	-	5.567.896	Investment
Konsumsi	26.695.730	145.689	32.238	-	165	26.873.822	Consumption
Pendapatan bunga yang masih akan diterima	771.149	20.119	1.128	744	760	793.900	Interest receivables
Jumlah	38.969.249	53.946.283	753.425	924.366	2.085.121	96.678.444	Total
Rekening administratif							Administrative accounts
Fasilitas kredit kepada nasabah yang belum digunakan	2.370.071	784.709	2.784	24.416	-	3.181.980	Unused loans commitments granted to customers
Bank garansi yang diterbitkan	1.161.510	-	-	-	-	1.161.510	Bank guarantees issued
Jumlah	3.531.581	784.709	2.784	24.416	-	4.343.490	Total

39. CREDIT RISK (continued)

b. Credit concentration risk

As of December 31, 2021 and 2020, the disclosure of the maximum credit risk by concentration without taking into account any collateral held and master netting agreements is as follows:

Concentration of credit risk by geography

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39. RISIKO KREDIT (lanjutan)

b. Risiko konsentrasi kredit (lanjutan)

Konsentrasi risiko kredit berdasarkan geografis (lanjutan)

	2020					Jumlah/ Total
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others	
<u>Posisi keuangan</u>						
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	-	-	-	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
Jumlah	38.773.292	36.229.281	769.928	877.195	2.076.457	78.726.153
<u>Rekening administratif</u>						
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
Jumlah	3.380.627	1.324.543	9.232	74.811	-	4.789.213

39. CREDIT RISK (continued)

b. Credit concentration risk (continued)

Concentration of credit risk by geography (continued)

<u>Financial position</u>
Current accounts with Bank Indonesia
Current accounts with other banks
Placements with Bank Indonesia and other banks
Marketable securities
Amortized cost
Marketable securities sold under repurchased agreement
Other receivables
Loans and sharia financing
Working capital
Investment
Consumption
Interest receivables
Total
<u>Administrative accounts</u>
Unused loans commitments granted to customers
Bank guarantees issued
Total

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39. RISIKO KREDIT (lanjutan)

39. CREDIT RISK (continued)

b. Risiko konsentrasi kredit (lanjutan)

b. Credit concentration risk (continued)

Konsentrasi risiko kredit berdasarkan sektor industri

Concentration of credit risk by industry sector

	2021					Jumlah/ Total	
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Lembaga keuangan bukan bank/ Non-bank financial institutions	Banks	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals		
<u>Posisi keuangan</u>							<u>Financial position</u>
Giro pada Bank Indonesia	8.805.300	-	-	-	-	8.805.300	Current accounts with Bank Indonesia
Giro pada bank lain	-	-	211.443	-	-	211.443	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	9.915.932	-	-	-	-	9.915.932	Placements with Bank Indonesia and other banks
Tagihan <i>spot derivatif</i>	-	-	-	-	-	-	Spot derivative receivables
Surat berharga							Marketable securities
Biaya perolehan diamortisasi Nilai wajar melalui pendapatan komprehensif lain	16.071.667	-	139.804	4.616.792	-	20.828.263	Amortized cost 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	-	-	3.420.685	-	-	3.420.685	Marketable securities purchased under resale agreement
Tagihan lainnya	-	-	-	-	230.019	230.019	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	29.929	169.092	384.779	2.726.787	5.165.837	8.476.424	Working capital
Investasi	40.080	291	-	4.425.534	1.101.991	5.567.896	Investment
Konsumsi	-	-	-	10.593	26.863.229	26.873.822	Consumption
Pendapatan bunga yang masih akan diterima	732	1.155	721	128.463	662.829	793.900	Interest receivables
Jumlah	46.418.400	170.538	4.157.432	11.908.169	34.023.905	96.678.444	Total
<u>Rekening administratif</u>							<u>Administrative accounts</u>
Fasilitas kredit kepada nasabah yang belum digunakan Bank garansi yang diterbitkan	-	-	271.800	-	2.910.180	3.181.980	Unused loans commitments granted to customers Bank guarantees issued
Jumlah	-	-	271.800	-	4.071.690	4.343.490	Total

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39. RISIKO KREDIT (lanjutan)

b. Risiko konsentrasi kredit (lanjutan)

Konsentrasi risiko kredit berdasarkan sektor industri (lanjutan)

	2020					Jumlah/ Total	
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals		
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 <i>spot derivatif</i>	-	-	-	-	-	-	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	-	-	-	-	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
Jumlah	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
Jumlah	-	-	223.300	-	4.565.913	4.789.213	Total

c. Agunan dan perlindungan kredit lainnya

Bank telah memiliki buku pedoman tentang cara menilai dan jenis jaminan yang bisa diterima sebagai mitigasi risiko kredit. Beberapa agunan utama yang diperoleh adalah tanah, bangunan dan kendaraan. Bank juga memiliki beberapa fasilitas kredit yang mendapat penjaminan dari pihak ketiga.

Umumnya, agunan diperlukan untuk setiap pemberian kredit sebagai sumber sekunder pelunasan kredit dan sebagai salah satu bentuk mitigasi risiko kredit. Sumber utama pelunasan kredit adalah dari hasil usaha debitur.

39. CREDIT RISK (continued)

b. Credit concentration risk (continued)

Concentration of credit risk by industry sector (continued)

c. Collateral and other credit enhancements

The Bank has a guidebook on how to value the type of collateral that can be accepted as credit risk mitigation. Some major collateral obtained includes land, buildings and vehicles. The Bank also has certain credit facilities guaranteed by third parties.

Generally, collateral is required for all credits extended as a secondary source of credit repayment and also as a form of credit risk mitigation. The primary source of credit repayment is the funds generated from business operations of the borrowers.

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39. RISIKO KREDIT (lanjutan)

d. Kualitas aset keuangan

Bank telah memiliki kebijakan yang telah diterapkan secara konsisten untuk pemeringkatan risiko atas portofolio aset keuangan. Sistem peringkat ini didukung oleh berbagai analisis keuangan, dikombinasikan dengan informasi pasar yang telah diolah guna pengukuran risiko pihak lawan. Semua peringkat risiko disesuaikan dengan berbagai kategori dan ditentukan sesuai dengan panduan peringkat Bank Indonesia.

e. Evaluasi penurunan nilai

Pengukuran risiko kredit

Estimasi eksposur kredit untuk tujuan manajemen risiko adalah kompleks dan mensyaratkan penggunaan model, karena eksposur yang bervariasi dengan perubahan kondisi pasar, arus kas ekspektasian dan berlalunya waktu. Penilaian risiko kredit dari portofolio aset memerlukan estimasi lebih lanjut mengenai kemungkinan terjadinya gagal bayar, rasio kerugian terkait dan korelasi gagal bayar antara pihak lawan. Bank mengukur risiko kredit menggunakan *Probability of Default* (PD), *Exposure at Default* (EAD) dan *Loss Given Default* (LGD). Hal ini sama dengan pendekatan yang digunakan untuk tujuan mengukur Kerugian Kredit Ekspektasian (ECL) berdasarkan PSAK 71.

Pengukuran kerugian kredit ekspektasian

PSAK 71 mengikhtisarkan model “tiga tahap” untuk penurunan nilai berdasarkan perubahan kualitas kredit sejak pengakuan awal seperti diikhtisarkan di bawah ini:

- Instrumen keuangan yang tidak mengalami penurunan nilai pada pengakuan awal diklasifikasikan ke dalam “Tahap 1” dan risiko kreditnya terus dipantau oleh Bank.
- Jika peningkatan signifikan dalam risiko kredit (SICR) sejak pengakuan awal diidentifikasi, instrumen keuangan dipindahkan ke “Tahap 2” tetapi belum diakui sebagai kredit yang mengalami penurunan nilai.
- Jika instrumen keuangan mengalami penurunan nilai, instrumen keuangan kemudian dipindahkan ke “Tahap 3”.
- Instrumen keuangan pada Tahap 1 memiliki ECL yang diukur pada jumlah yang sama dengan bagian dari kerugian kredit ekspektasian sepanjang umurnya yang dihasilkan dari peristiwa gagal bayar yang mungkin terjadi dalam 12 bulan ke depan. Instrumen dalam Tahap 2 atau 3 ECL diukur berdasarkan pada kerugian kredit ekspektasian sepanjang umurnya.

39. CREDIT RISK (continued)

d. Quality of financial assets

The Bank has a policy that has been consistently applied for risk assessment of the financial asset portfolio. This rating system is supported by a variety of financial analyses, combined with market information that has been processed for the measurement of counterparty risk. All risk ratings are adjusted to the various categories and ranks as determined in accordance with the Bank Indonesia’s rating guidance.

e. Impairment assessment

Credit risk measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using *Probability of Default* (PD), *Exposure at Default* (EAD) and *Loss Given Default* (LGD). This is similar to the approach used for the purposes of measuring *Expected Credit Loss* (ECL) under PSAK 71.

Expected credit loss measurement

PSAK 71 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to ‘Stage 2’ but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pengukuran kerugian kredit ekspektasian (lanjutan)

PSAK 71 mengikhtisarkan model “tiga tahap” untuk penurunan nilai berdasarkan perubahan kualitas kredit sejak pengakuan awal seperti diikhtisarkan di bawah ini (lanjutan):

- Konsep pervasif dalam mengukur ECL sesuai dengan PSAK 71 adalah bahwa konsep tersebut harus mempertimbangkan informasi perkiraan masa depan.
- Aset keuangan yang dibeli atau yang berasal dari aset keuangan yang memburuk adalah aset keuangan yang mengalami penurunan nilai pada saat pengakuan awal. ECL selalu diukur sepanjang umurnya (Tahap 3).

Peningkatan signifikan pada risiko kredit (SICR)

Bank mempertimbangkan instrumen keuangan telah mengalami peningkatan risiko kredit yang signifikan ketika peminjam menunggak pembayaran kontraktualnya lebih dari 30 hari.

Definisi gagal bayar dan aset yang mengalami penurunan nilai kredit

Bank mendefinisikan instrumen keuangan sebagai gagal bayar, yang sepenuhnya sesuai dengan definisi kredit yang mengalami penurunan nilai, ketika memenuhi satu atau lebih kriteria berikut:

Kriteria kuantitatif

Peminjam yang tertunggak lebih dari 90 hari atas pembayaran kontraktualnya.

Kriteria kualitatif

Peminjam memenuhi kriteria tidak mampu membayar, yang menunjukkan peminjam dalam kesulitan keuangan yang signifikan, sebagaimana dijelaskan pada Catatan 2m.

Kriteria tersebut telah diterapkan pada semua instrumen keuangan yang dimiliki oleh Bank dan konsisten dengan definisi gagal bayar yang digunakan untuk tujuan manajemen risiko kredit internal. Definisi gagal bayar telah diterapkan secara konsisten untuk model *Probability of Default* (PD), *Exposure at Default* (EAD) dan *Loss Given Default* (LGD) sepanjang perhitungan kerugian ekspektasian Bank.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Expected credit loss measurement (continued)

PSAK 71 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below (continued):

- A pervasive concept in measuring ECL in accordance with PSAK 71 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Significant increase in credit risk (SICR)

The Bank consider a financial instrument to have experienced significant increase in credit risk when the borrower is more than 30 days past due on its contractual payments.

Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty, as described in (Note 2m).

The criteria have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the *Probability of Default* (PD), *Exposure at Default* (EAD) and *Loss given Default* (LGD) throughout the Bank’s expected loss calculations.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Definisi gagal bayar dan aset yang mengalami penurunan nilai kredit (lanjutan)

Kriteria kualitatif (lanjutan)

Pertimbangan utama dalam melakukan evaluasi penurunan nilai kredit yang diberikan khususnya pembayaran pokok atau bunga yang jatuh tempo lebih dari 90 hari atau terdapat kesulitan atau pelanggaran dari persyaratan yang terdapat dalam kontrak awal. Bank melakukan evaluasi penurunan nilai dengan dua metode yaitu evaluasi penurunan nilai secara individual dan kolektif.

Bank menentukan penyisihan kerugian penurunan nilai secara individual untuk masing-masing kredit yang diberikan yang signifikan.

Hal-hal yang dipertimbangkan dalam menentukan jumlah penyisihan kerugian penurunan nilai antara lain kemampuan debitur untuk memperbaiki kinerja saat menghadapi kesulitan keuangan, proyeksi penerimaan dan ekspektasi pengeluaran saat terjadi kepailitan, ketersediaan dukungan keuangan lainnya, termasuk klaim terhadap pihak asuransi, nilai agunan yang dapat direalisasikan, dan ekspektasi waktu diperolehnya arus kas.

Penyisihan kerugian penurunan nilai dievaluasi setiap tanggal pelaporan. Sedangkan evaluasi penyisihan kerugian penurunan nilai secara kolektif dilakukan atas kredit yang diberikan yang tidak signifikan secara individual. Namun bila ada bukti obyektif penurunan nilai khususnya pembayaran pokok atau bunga menunggak lebih dari 90 hari, sistem akan menghitung penurunan nilai secara individual.

Mengukur ECL - Penjelasan input, asumsi dan teknik estimasi

Kerugian Kredit Ekspektasian (ECL) diukur pada basis 12 bulan atau sepanjang umurnya tergantung apakah peningkatan signifikan dalam risiko kredit telah terjadi sejak pengakuan awal atau apakah suatu aset dianggap telah mengalami penurunan nilai. Kerugian kredit ekspektasian adalah hasil diskonto dari PD, EAD, dan LGD, didefinisikan sebagai berikut:

- PD mewakili kemungkinan peminjam gagal bayar atas kewajiban keuangannya (sesuai "definisi default dan kredit yang mengalami penurunan nilai" di atas), baik selama 12 bulan ke depan, atau selama sisa umurnya (PD sepanjang umurnya) dari kewajiban.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Definition of default and credit-impaired assets (continued)

Qualitative criteria (continued)

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties, or non-compliance of the original terms of the contract. The Bank evaluates impairment assessments using two methods: individual and collective impairment assessment.

The Bank determines the allowances for impairment losses for each significant loan on an individual basis.

Items considered when determining allowance for impairment losses include the sustainability of the debtors' business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected payout should bankruptcy occurs, the availability of other financial support, including claim for the insurance party, the realizability of collateral, and the timing of expected cash flows.

The allowance for impairment losses is evaluated at each reporting date. The allowance for impairment losses based on collective evaluation is made for the loans which are not individually significant. But if there is objective evidence of impairment or certain principal payment or interest are outstanding for more than 90 days, the system will calculate the individual impairment.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "definition of default and credit-impaired" above), either over the next 12 months, or over the remaining lifetime (lifetime PD) of the obligation.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Mengukur ECL - Penjelasan input, asumsi dan teknik estimasi (lanjutan)

- EAD didasarkan pada jumlah yang diharapkan dari Bank pada saat gagal bayar, selama 12 bulan ke depan atau selama sisa umurnya (*lifetime EAD*). Misalnya, untuk komitmen *revolving*, Bank memasukkan saldo yang ditarik saat ini ditambah jumlah yang diharapkan akan ditarik hingga batas kontrak pada saat gagal bayar, jika hal itu terjadi.
- (LGD) mewakili ekspektasi Bank tentang tingkat kerugian pada eksposur gagal bayar. LGD dinyatakan sebagai persentase kerugian per unit eksposur pada saat gagal bayar (EAD).

ECL ditentukan dengan memproyeksikan PD, LGD dan EAD untuk setiap bulan berikutnya dan untuk setiap eksposur individu atau segmen kolektif. Tiga komponen ini dikalikan bersama. Perhitungan efektif ECL ini dilakukan untuk setiap bulan berikutnya, yang kemudian didiskontokan kembali ke tanggal pelaporan dan dijumlahkan. Tingkat diskonto yang digunakan pada perhitungan ECL adalah suku bunga efektif awal atau perkiraannya.

PD sepanjang umurnya dikembangkan dengan menerapkan profil jatuh tempo ke PD 12 bulan saat ini. Profil jatuh tempo melihat bagaimana gagal bayar muncul pada portofolio dari titik pengakuan awal sepanjang masa umur pinjaman. Profil jatuh tempo didasarkan pada data historis yang diamati dan diasumsikan sama pada semua aset dalam portofolio dan peringkat kredit. Hal ini telah didukung oleh analisis historis.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months or over the remaining lifetime (*lifetime EAD*). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12 months PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Mengukur ECL - Penjelasan input, asumsi dan teknik estimasi (lanjutan)

EAD 12 bulan dan sepanjang umurnya ditentukan berdasarkan profil pembayaran yang diharapkan, yang bervariasi berdasarkan jenis produk.

- Untuk produk yang diamortisasi dan pinjaman dengan pembayaran di akhir, didasarkan pada pembayaran kontraktual yang terutang oleh peminjam selama 12 bulan atau sepanjang umurnya. Hal ini juga akan disesuaikan dengan pembayaran lebih yang diharapkan dari peminjam. Asumsi pembayaran/pembiayaan kembali lebih awal juga dimasukkan ke dalam perhitungan.
- Untuk produk *revolving*, eksposur pada gagal bayar diperkirakan dengan mengambil saldo saat ini yang telah ditarik dan menambahkan "faktor konversi kredit" yang diharapkan untuk ditarik dari batas yang tersisa pada saat gagal bayar. Asumsi-asumsi ini bervariasi berdasarkan jenis produk dan batasan pemanfaatan limit, berdasarkan analisis dari data standar terkini Bank.

LGD ditentukan berdasarkan faktor-faktor yang mempengaruhi pemulihan yang dibuat pasca gagal bayar. Hal ini bervariasi berdasarkan jenis produk. LGD ini dipengaruhi oleh strategi penagihan, termasuk penjualan dan harga utang kontraktual.

Perkiraan informasi ekonomi masa depan (*forward-looking*) juga termasuk dalam menentukan PD 12 bulan dan sepanjang umurnya, EAD dan LGD. Asumsi-asumsi ini bervariasi berdasarkan jenis produk.

Asumsi yang mendasari perhitungan ECL seperti bagaimana profil PD dan lain-lain dipantau dan ditelaah setiap tahun.

Tidak ada perubahan signifikan dalam teknik estimasi atau asumsi signifikan yang dibuat selama periode pelaporan.

Informasi perkiraan masa depan yang tergabung dalam model ECL

Penilaian SICR dan perhitungan ECL keduanya menggabungkan informasi berwawasan ke depan. Bank telah melakukan analisis historis dan mengidentifikasi variabel ekonomi utama yang berdampak pada risiko kredit dan kerugian kredit yang diperkirakan untuk masing-masing portofolio.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

The 12 month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.

The LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12 month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation – such as how the maturities profile of the PDs and others – are monitored and reviewed on a yearly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Informasi perkiraan masa depan yang tergabung dalam model ECL (lanjutan)

Variabel ekonomi ini dan dampaknya yang terkait pada PD, EAD dan LGD bervariasi menurut instrumen keuangan. Perkiraan variabel-variabel ekonomi ini (skenario ekonomi dasar) disediakan oleh Bank setiap tahun dan memberikan pandangan estimasi ekonomi terbaik selama 3 (tiga) tahun ke depan. Dampak dari variabel-variabel ekonomi ini pada PD, EAD dan LGD telah ditentukan dengan melakukan analisis regresi statistik untuk memahami dampak perubahan dalam variabel-variabel ini secara historis pada tingkat standar dan pada komponen-komponen LGD dan EAD.

Selain skenario ekonomi, Bank juga menyediakan skenario lain yang memungkinkan beserta bobot skenario. Jumlah skenario lain yang digunakan ditetapkan berdasarkan analisis setiap jenis produk utama untuk memastikan non-linearitas diketahui. Jumlah skenario dan atributnya dinilai kembali pada setiap tanggal pelaporan. Pada 1 Januari 2018 dan 31 Desember 2018, Bank menyimpulkan bahwa 3 (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 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 memungkinkan berbeda secara signifikan dengan yang diproyeksikan. Bank menganggap ramalan ini untuk mewakili perkiraan terbaik dari hasil yang mungkin dan telah menganalisis non-linearitas dan asimetri dalam portofolio Bank yang berbeda untuk menetapkan bahwa skenario yang dipilih tepat mewakili berbagai skenario yang memungkinkan.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Forward-looking information incorporated in the ECL models (continued)

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Forecasts of these economic variables (the base economic scenario) are provided by the Bank on a quarterly basis and provide the best estimate view of the economy over the next 3 (three) years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Bank's Economics team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At January 1, 2018 and December 31, 2018, for all portfolios the Bank concluded that 3 (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 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.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Asumsi variabel ekonomi

Asumsi akhir periode yang paling signifikan digunakan untuk estimasi ECL pada tanggal 31 Desember 2021 diuraikan di bawah ini. Skenario "base", "upside" dan "downside" digunakan untuk semua portofolio.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Economic variable assumptions

The most significant period-end assumptions used for the ECL estimate as at December 31, 2021 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

Variabel Ekonomi/ Economic Variable	Skenario/ Scenarios	2022	2023	2024
Inflasi/ Inflation (%)	Base	2,08	2,41	2,41
	Upside	4,37	4,69	4,64
	Downside	0,57	0,92	0,94
Nilai tukar/ Exchange rate (Rp/US\$)	Base	14.635,06	15.071,92	15.342,28
	Upside	13.223,54	13.661,21	13.910,46
	Downside	16.769,17	17.220,02	17.522,53
Tingkat suku bunga/ Interest rate (%)	Base	4,15	4,44	4,42
	Upside	3,04	3,35	3,34
	Downside	5,83	6,11	6,05
Minyak mentah/ Oil brent (US\$/Barel)	Base	64,94	55,09	48,96
	Upside	44,47	35,34	29,55
	Downside	96,11	85,16	78,53
Emas/ Gold (US\$/oz)	Base	1.528,24	1.454,02	1.435,45
	Upside	1.349,97	1.283,07	1.271,60
	Downside	1.799,69	1.714,32	1.684,95
Tingkat pengangguran/ Unemployment rate (%)	Base	5,47	5,34	5,33
	Upside	5,04	4,93	4,92
	Downside	6,12	5,98	5,96
Tingkat harga properti/ Index house (%)	Base	216,10	219,04	221,50
	Upside	232,28	235,58	238,39
	Downside	191,46	193,85	195,79
Produk Domestik Bruto/ Gross Domestic Product (%)	Base	2,17	2,26	2,06
	Upside	4,25	4,29	4,05
	Downside	-1,01	-0,85	-0,98

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Asumsi variabel ekonomi (lanjutan)

Bobot yang ditetapkan untuk setiap skenario ekonomi pada tanggal 31 Desember 2021 adalah sebagai berikut:

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Economic variable assumptions (continued)

The weightings assigned to each economic scenario at December 31, 2021 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	0,01% - 0,12%	0,003% - 0,05%	0,03% - 0,34%
	Tahap/Stage 2	3,05% - 5,11%	1,95% - 2,23%	5,49% - 21,33%
	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	0,002% - 0,33%	0,001% - 0,07%	0,006% - 0,60%
	Tahap/Stage 2	0,56% - 1,42%	0,37% - 1,94%	0,93% - 1,20%
	Tahap/Stage 3	3,46%	3,46%	3,46%
Sektor industri pengolahan/ Processing industry sectors	Tahap/Stage 1	0,003% - 0,98%	0,003% - 0,98%	0,003% - 0,98%
	Tahap/Stage 2	3,27% - 9,26%	3,27% - 7,14%	3,27% - 13,99%
	Tahap/Stage 3	33,90%	33,90%	33,90%
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	0,05% - 0,93%	0,04% - 0,80%	0,07% - 1,16%
	Tahap/Stage 2	7,65% - 16,11%	7,00% - 13,78%	8,68% - 19,91%
	Tahap/Stage 3	32,18%	32,18%	32,18%
Jasa perorangan yang melayani rumah tangga/ Individual service which serve households	Tahap/Stage 1	0,01% - 1,87%	0,002% - 0,66%	0,14% - 6,37%
	Tahap/Stage 2	4,86% - 11,17%	2,12% - 2,43%	12,18% - 32,16%
	Tahap/Stage 3	32,18%	32,18%	32,18%
Kegiatan yang belum jelas batasannya/ Limit activities that are not yet clear	Tahap/Stage 1	0,25% - 0,25%	0,21% - 0,21%	0,32% - 0,32%
	Tahap/Stage 2	0,06% - 0,99%	0,05% - 0,97%	0,09% - 1,00%
	Tahap/Stage 3	1,00%	1,00%	1,00%
Penyediaan akomodasi dan penyediaan makan minum/ Accommodation, food and beverages	Tahap/Stage 1	0,002% - 0,70%	0,001% - 0,22%	0,02% - 2,98%
	Tahap/Stage 2	2,67% - 17,40%	1,06% - 19,47%	7,91% - 15,19%
	Tahap/Stage 3	34,05%	34,05%	34,05%
Perantara keuangan/ Financial intermediaries	Tahap/Stage 1	0,13% - 7,80%	0,10% - 6,84%	0,19% - 9,41%
	Tahap/Stage 2	9,99% - 37,38%	8,88% - 32,29%	11,82% - 38,38%
	Tahap/Stage 3	38,40%	38,40%	38,40%
Perdagangan besar dan eceran/ Wholesale and retail	Tahap/Stage 1	0,002% - 0,60%	0,001% - 0,37%	0,008% - 1,28%
	Tahap/Stage 2	2,84% - 10,36%	1,87% - 7,12%	4,98% - 16,58%
	Tahap/Stage 3	36,58%	36,58%	36,58%
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	0,03% - 0,51%	0,01% - 0,24%	0,13% - 1,37%
	Tahap/Stage 2	2,90% - 9,63%	1,68% - 2,91%	5,85% - 30,13%
	Tahap/Stage 3	35,02%	35,02%	35,02%
Sektor perikanan - Sektor pertanian, perburuan dan kehutanan/ Fishery sectors - Agriculture, hunting and forestry sectors	Tahap/Stage 1	0,03% - 0,48%	0,02% - 0,42%	0,03% - 0,52%
	Tahap/Stage 2	6,66% - 13,93%	6,21% - 12,83%	6,97% - 14,68%
	Tahap/Stage 3	35,47%	35,47%	35,47%
Real estate, usaha persewaan dan jasa perusahaan/ Real estate, business rental and company services	Tahap/Stage 1	0,04% - 0,85%	0,01% - 0,27%	0,33% - 3,64%
	Tahap/Stage 2	13,29% - 34,67%	7,12% - 10,23%	26,45% - 55,28%
	Tahap/Stage 3	55,33%	55,33%	55,33%
Skim Multiguna/ Multiguna scheme	Tahap/Stage 1	0,01% - 4,00%	0,003% - 3,18%	0,01% - 5,52%
	Tahap/Stage 2	13,28% - 20,16%	11,51% - 16,55%	16,16% - 26,02%
	Tahap/Stage 3	39,44%	39,44%	39,44%
Skim kredit pegawai/ Employee loan scheme	Tahap/Stage 1	0,001% - 6,63%	0,001% - 4,71%	0,002% - 10,43%
	Tahap/Stage 2	19,37% - 33,46%	15,81% - 24,14%	24,99% - 41,71%
	Tahap/Stage 3	44,72%	44,72%	44,72%
Skim kredit Almabur/ Almabur loan scheme	Tahap/Stage 1	0,00% - 0,00%	0,00% - 0,00%	1,00% - 1,00%
	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	0,003% - 2,44%	0,001% - 1,48%	0,016% - 4,68%
	Tahap/Stage 2	5,05% - 12,96%	3,38% - 5,38%	4,40% - 25,38%
	Tahap/Stage 3	26,38%	26,38%	26,38%
Skim Kredit Ketahanan Pangan dan Energi/ Energy and Food Stability Loan Scheme	Tahap/Stage 1	0,04% - 0,04%	0,04% - 0,03%	0,05% - 0,04%
	Tahap/Stage 2	2,96% - 6,43%	2,87% - 5,50%	3,10% - 8,05%
	Tahap/Stage 3	12,21%	12,21%	12,21%
Skim Kredit Usaha Pembibitan Sapi/ Cattle Breeding Business Loan Scheme	Tahap/Stage 1	0,02% - 21,88%	0,01% - 18,79%	0,03% - 23,98%
	Tahap/Stage 2	13,97% - 36,82%	11,46% - 30,17%	15,77% - 40,79%
	Tahap/Stage 3	52,93%	52,93%	52,93%
Skim Kredit BPR Linkage/ BPR Linkage Loan Scheme	Tahap/Stage 1	0,06% - 2,08%	0,06% - 2,08%	0,06% - 2,08%
	Tahap/Stage 2	13,65% - 41,47%	13,65% - 35,19%	13,65% - 46,40%
	Tahap/Stage 3	48,92%	48,92%	48,92%
Skim Kredit Usaha Rakyat/ People's Business Loan Scheme	Tahap/Stage 1	0,007% - 0,11%	0,007% - 0,11%	0,007% - 0,11%
	Tahap/Stage 2	2,51% - 7,30%	2,51% - 7,01%	2,51% - 7,48%
	Tahap/Stage 3	17,92%	17,92%	17,92%
Skim Kredit PRK/ PRK loan scheme	Tahap/Stage 1	0,03% - 1,87%	0,01% - 1,25%	0,07% - 3,29%
	Tahap/Stage 2	8,85% - 24,12%	6,71% - 16,94%	12,86% - 36,06%
	Tahap/Stage 3	50,19%	50,19%	50,19%
Skim Kredit Restrukturisasi Covid-19/ Restrukturisasi Covid-19 loan scheme	Tahap/Stage 1	0,02% - 4,65%	0,02% - 4,88%	0,02% - 4,32%
	Tahap/Stage 2	22,09% - 50,51%	22,78% - 45,63%	21,05% - 59,32%
	Tahap/Stage 3	83,22%	83,22%	83,22%

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

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 berikut ini:

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

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:

Cadangan kerugian penurunan nilai - kredit yang diberikan/ Allowance for impairment losses - loans	2021				
	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	64.096	69.520	1.272.262	48.843	1.454.721
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	101.862	(27.402)	(74.460)	-	-
Transfer ke tahap 2/Transfer to stage 2	(2.490)	8.945	(6.455)	-	-
Transfer ke tahap 3/Transfer to stage 3	(5.834)	(22.321)	28.155	-	-
Penghapusbukuan/Write-off	(19.912)	(10.652)	(22.186)	(3.671)	(56.421)
Dibebankan ke laporan laba rugi/ Charge to statement of profit or loss	(121.915)	55.020	461.755	38.257	433.117
Saldo 31 Desember 2021/ Balance at December 31, 2021	15.807	73.110	1.659.071	83.429	1.831.417

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Penyisihan kerugian (lanjutan)

Tabel berikut menjelaskan mutasi nilai tercatat bruto kredit yang diberikan dan pembiayaan syariah pada awal dan akhir tahun karena faktor-faktor berikut ini:

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Loss allowance (continued)

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:

	2021				
Nilai tercatat bruto kredit yang diberikan/ <i>Gross carrying amount of the loans</i>	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ <i>Beginning balance of year</i>	37.795.946	455.354	1.622.107	1.607.359	41.480.766
Perubahan aset keuangan/ <i>Change due to financial assets</i>					
Transfer ke tahap 1/ <i>Transfer to stage 1</i>	277.337	(181.068)	(96.269)	-	-
Transfer ke tahap 2/ <i>Transfer to stage 2</i>	(361.628)	377.740	(16.112)	-	-
Transfer ke tahap 3/ <i>Transfer to stage 3</i>	(577.581)	(140.620)	718.201	-	-
Aset keuangan yang baru atau dibeli/ <i>New financial assets originated or purchased</i>	15.627.968	215.232	165.558	158.680	16.167.438
Modifikasi arus kas kontraktual atas aset keuangan/ <i>Modification of contractual cashflow of financial assets</i>	(2.475.943)	(88.778)	(364.306)	-	(2.929.027)
Perubahan akrual bunga/ <i>Change in interest accrual</i>	(11.947.009)	(77.486)	111.297	-	(11.913.198)
Penghapusbukuan/ <i>Write-off</i>	(19.912)	(10.652)	(22.185)	(3.671)	(56.420)
Saldo 31 Desember 2021/ <i>Balance at December 31, 2021</i>	38.319.178	549.722	2.118.291	1.762.368	42.749.559

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 2021 adalah Rp60.568 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, 2021 was Rp60,588 The Bank still seeks to recover amounts it is legally owed in full.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

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.

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.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

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.

The Bank's rating method comprises 25 rating levels. The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed default.

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Berikut ini adalah risiko kredit yang diberikan berdasarkan klasifikasi evaluasi penurunan nilai pada tanggal 31 Desember 2021 dan 2020:

Kredit yang diberikan dan pembiayaan syariah

Berikut ini adalah risiko kredit berdasarkan klasifikasi evaluasi penurunan nilai pada tanggal 31 Desember 2021 dan 2020:

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Credit risk grading – Treasury (continued)

Below are the loans risks based on the allowance for impairment losses assessment classification as of December 31, 2021 and 2020:

Loans and sharia financing

Below are credit risks based on the allowance for impairment losses assessment classification as of December 31, 2021 and 2020:

	2021				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
Kredit multiguna	22.065.382	44.080	189.543	22.299.005	Multiguna loan
Kredit modal kerja	2.335.341	100.375	628.283	3.063.999	Working capital loan
Restrukturisasi Covid	2.440.353	80.778	160.161	2.681.292	Covid Restructurisation
Perdagangan besar dan eceran	1.809.681	127.280	257.577	2.194.538	Wholesale and retail
Kredit pegawai	2.096.595	4.227	23.497	2.124.319	Employee loans
Pertambangan, konstruksi, listrik dan transportasi	1.496.205	9.299	362.719	1.868.223	Mining, quarrying, electricity and transportation
Kredit kepemilikan rumah	1.316.894	106.379	286.119	1.709.392	Housing loan
Jasa kemasyarakatan, sosial budaya, hiburan dan perorangan lainnya	1.580.845	7.783	40.464	1.629.092	Public, social culture, entertainment and other individual services
Pertanian, perburuan dan kehutanan	897.087	29.202	69.892	996.181	Agriculture, hunting and forestry
Industri pengolahan	818.883	19.370	54.050	892.303	Processing industry
Kredit usaha rakyat	576.342	262	-	576.604	People's business credit
Perantara keuangan	417.828	11.948	20.970	450.746	Financial intermediaries
Linkage program	267.732	-	267	267.999	Linkage program
Penyediaan akomodasi dan penyediaan makan dan minum	116.664	7.941	8.706	133.311	Accommodation, food and beverages
Bukan usaha lainnya dan rumah tangga	64.873	13	-	64.886	Other business and households
Real estate, usaha persewaan dan jasa perusahaan	15.743	402	11.116	27.261	Real estate, business rental and services
Kredit Usaha Pembibitan Sapi	-	-	4.036	4.036	Cattle Breeding Business Loan
Jasa perorangan yang melayani rumah tangga	2.398	382	93	2.873	Individual service which serve households
Kredit Ketahanan Pangan dan Energi	-	-	770	770	Energy and Food Stability Loan
Kegiatan yang belum jelas batasannya	-	-	-	-	Limit activities that are not yet clear
Lain-lain	361	-	-	361	Others
	38.319.207	549.721	2.118.263	40.987.191	
Cadangan kerugian penurunan nilai	(15.807)	(73.110)	(1.659.070)	(1.747.987)	Allowance for impairment losses
Konvensional - Neto	38.303.400	476.611	459.193	39.239.204	Conventional - Net
		Mengalami penurunan nilai/ Impaired			
				Jumlah/ Total	
	Tidak mengalami penurunan nilai/ Not-impaired	Individu/ Individual	Kolektif/ Collective		
Syariah	1.670.823	91.545	-	1.762.368	Sharia
Cadangan kerugian penurunan nilai	(35.476)	(47.954)	-	(83.430)	Allowance for impairment losses
Syariah - Neto	1.635.347	43.591	-	1.678.938	Sharia - Net
Jumlah, neto	39.938.747	520.202	459.193	40.918.142	Total, net

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Kredit yang diberikan dan pembiayaan syariah

	2020				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ 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
	Tidak mengalami penurunan nilai/ Not-impaired	Mengalami penurunan nilai/ Individu/ Individual		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
Jumlah, neto	39.189.124	487.102	349.819	40.026.045	Total, net

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Credit risk grading – Treasury (continued)

Loans and sharia financing

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

Mutasi penyisihan kerugian penurunan nilai berdasarkan jenis kredit yang diberikan dan pembiayaan syariah:

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Credit risk grading – Treasury (continued)

Loans and sharia financing (continued)

Movement of allowance for impairment losses by type of loans and sharia financing:

	2021				
	Modal kerja/ <i>Working capital</i>	Investasi/ <i>Investment</i>	Konsumsi/ <i>Consumption</i>	Jumlah/ <i>Total</i>	
Saldo awal tahun	960.358	239.533	254.830	1.454.721	<i>Balance at beginning of year</i>
Penyisihan tahun berjalan	261.450	22.153	149.514	433.117	<i>Provision during the year</i>
Penghapusan tahun berjalan	(29.587)	(3.807)	(23.027)	(56.421)	<i>Written-off during the year</i>
Pemulihan	-	-	-	-	<i>Reversal</i>
Saldo 31 Desember 2021	<u>1.192.221</u>	<u>257.879</u>	<u>381.317</u>	<u>1.831.417</u>	<i>Balance at December 31, 2021</i>
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	1.179.676	249.657	332.682	1.762.015	<i>Individual impairment</i>
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	12.545	8.222	48.635	69.402	<i>Collective impairment for non impaired loans</i>
Saldo 31 Desember 2021	<u>1.192.221</u>	<u>257.879</u>	<u>381.317</u>	<u>1.831.417</u>	<i>Balance at December 31, 2021</i>
	2020				
	Modal kerja/ <i>Working capital</i>	Investasi/ <i>Investment</i>	Konsumsi/ <i>Consumption</i>	Total/ <i>Total</i>	
Saldo awal tahun	722.907	175.883	81.344	980.134	<i>Balance at beginning of year</i>
Penyisihan tahun berjalan	301.717	70.445	194.510	566.672	<i>Provision during the year</i>
Penghapusan tahun berjalan	(64.263)	(6.794)	(21.028)	(92.085)	<i>Written-off during the year</i>
Saldo 31 Desember 2020	<u>960.361</u>	<u>239.534</u>	<u>254.826</u>	<u>1.454.721</u>	<i>Balance at December 31, 2020</i>
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	823.353	183.774	149.687	1.156.814	<i>Individual impairment</i>
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	137.008	55.760	105.139	297.907	<i>Collective impairment for non impaired loans</i>
Saldo 31 Desember 2020	<u>960.361</u>	<u>239.534</u>	<u>254.826</u>	<u>1.454.721</u>	<i>Balance at December 31, 2020</i>

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

Tabel di bawah menunjukkan kualitas kredit per jenis instrumen keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai (di luar cadangan kerugian penurunan nilai):

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Credit risk grading – Treasury (continued)

Loans and sharia financing (continued)

The table below shows credit quality per class of financial assets (gross of allowance for impairment losses):

	2021						
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither st due nor impaired</i>		Jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>		Mengalami penurunan nilai/ <i>Impaired</i>		Jumlah/ <i>Total</i>
	Tingkat tinggi/ <i>High grade</i>	Tingkat standar/ <i>Standard grade</i>					
Biaya perolehan diamortisasi						Amortized cost	
Surat Utang Negara	15.530.273	-	-	-	15.530.273	Government's bonds	
Reksadana	2.339.000	-	-	-	2.339.000	Mutual Funds	
Obligasi	2.071.699	-	-	-	2.071.699	Bonds	
Sukuk Bank Indonesia	541.392	-	-	-	541.392	Sukuk of Bank Indonesia	
Negotiable Certificate of Deposit	206.095	-	-	-	206.095	Negotiable Certificate of Deposit	
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	139.000	-	-	-	139.000	Interbank Mudarabah Investment Certificate	
Wesel	6.747	-	-	-	6.747	Bill	
	20.834.206	-	-	-	20.834.206		
Nilai wajar melalui pendapatan komprehensif lain						Fair value through other comprehensive income	
Surat Utang Negara	11.554.760	-	-	-	11.554.760	Government's bonds	
Biaya perolehan diamortisasi						Amortized cost	
Giro pada Bank Indonesia	8.805.300	-	-	-	8.805.300	Currents account with Bank Indonesia	
Giro pada Bank lain	211.681	-	-	-	211.681	Currents account with other bank	
Penempatan pada Bank Indonesia dan bank lain	9.917.695	-	-	-	9.917.695	Placement with bank Indonesia and other bank	
Tagihan reverse repo	3.420.685	-	-	-	3.420.685	Reverse repo receivables	
Tagihan lainnya	230.019	-	-	-	230.019	Other receivables	
Kredit yang diberikan dan pembiayaan syariah						Loans and sharia financing	
Modal kerja	-	8.520.925	-	1.147.719	9.668.644	Working capital	
Investasi	-	5.585.250	-	240.526	5.825.776	Investment	
Konsumsi	-	26.727.012	-	528.127	27.255.139	Consumption	
Pendapatan bunga yang masih akan diterima	-	793.900	-	-	793.900	Interest receivables	
Jumlah	54.974.345	41.627.087	-	1.916.372	98.517.805	Total	
Cadangan kerugian penurunan nilai	-	(77.347)	-	(1.787.474)	(1.864.821)	Allowances for impairment losses	
Neto	54.974.346	41.549.740	-	128.898	96.652.984	Net	

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Credit risk grading – Treasury (continued)

Loans and sharia financing (continued)

	2020					
	Tingkat tinggi/ High grade	Tingkat standar/ Standard grade	Belum jatuh tempo dan tidak mengalami penurunan nilai/ Neither st due nor impaired	Jatuh tempo tetapi tidak mengalami penurunan nilai/ Past-due but not impaired	Mengalami penurunan nilai/ Impaired	
Biaya perolehan diamortisasi						<i>Amortized cost</i>
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 of
Sukuk Bank Indonesia	-	-	-	-	-	Bank Indonesia
Sertifikat Bank Indonesia	317.412	-	-	-	317.412	Certificates of Bank Indonesia
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	-	-	-	-	-	Interbank Mudarabah 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
Reksadana	2.230.000	-	-	-	2.230.000	Mutual Funds
Surat Kredit Berdokumen Dalam Negeri	19.664	-	-	-	19.664	Domestic L/C
	14.666.737	-	-	-	14.666.737	
Nilai wajar melalui pendapatan komprehensif lain						<i>Fair value through other comprehensive income</i>
Surat Utang Negara	3.744.097	-	-	-	3.744.097	Government's bonds
Biaya perolehan diamortisasi						<i>Amortized cost</i>
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
Surat berharga yang dibeli						Marketable securities purchased
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
Jumlah	41.898.151	40.376.901	-	1.658.885	83.933.937	Total
Cadangan kerugian penurunan nilai	-	(306.873)	-	(1.156.814)	(1.463.687)	Allowances for impairment losses
Neto	41.898.151	40.070.028	-	502.071	82.470.250	Net

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39. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Kualitas kredit didefinisikan sebagai berikut:

Tingkat tinggi

- i. Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yaitu giro atau penempatan pada institusi Pemerintah, transaksi dengan bank yang memiliki reputasi baik dengan tingkat kemungkinan gagal bayar atas kewajiban yang rendah.
- ii. Kredit yang diberikan dan pembiayaan syariah, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang sangat baik dan tidak pernah menunggak sepanjang jangka waktu kredit, debitur dengan stabilitas dan keragaman yang tinggi; memiliki akses setiap saat untuk memperoleh pendanaan dalam jumlah besar dari pasar terbuka; memiliki kemampuan membayar yang kuat dan rasio-rasio posisi keuangan yang konservatif.
- iii. Efek-efek dan obligasi Pemerintah yaitu surat berharga yang dikeluarkan oleh Pemerintah, efek-efek dan obligasi yang termasuk dalam *investment grade* dengan rating minimal BBB- (Pefindo) atau Baaa3 (Moody's).

Tingkat standar

- i. Giro dan penempatan pada bank lain yaitu giro atau penempatan pada bank lokal yang tidak terdaftar di bursa.
- ii. Kredit yang diberikan dan pembiayaan syariah, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang baik dan tidak pernah menunggak 90 hari atau lebih; akses terbatas ke pasar modal atau ke pasar keuangan lainnya; tingkat pendapatan dan kinerja keseluruhan tidak stabil; memiliki kemampuan membayar yang cukup.
- iii. Efek-efek dan obligasi Pemerintah yaitu efek-efek dan obligasi dengan rating antara idBB+ sampai dengan idB (Pefindo) atau Ba1 sampai dengan B2 (Moody's).

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*.

39. CREDIT RISK (continued)

e. Impairment assessment (continued)

Credit risk grading – Treasury (continued)

The credit quality are defined as follows:

High grade

- i. Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with the governmental institutions, transacted with reputable banks with low probability of insolvency.
- ii. Loans and sharia financing, interest receivables and third party receivables are borrowers with very satisfactory track record of loan repayment and whose accounts did not turn past due during the term of the loan; borrowers with high degree of stability and diversity; has access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative financial position ratios.
- iii. Securities and Government bonds are Sovereign securities; investment grade securities and bonds with a rating of at least BBB- (Pefindo) or Baaa3 (Moody's).

Standard grade

- i. Current accounts and placements with other banks are current accounts or placements with the local banks not listed in the stock exchange.
- ii. Loans and sharia financing, interest receivable and third party receivables who are borrowers with an average track record of loan repayment and whose accounts did not turn past due for 90 days and over, small corporations with limited access to public capital markets or to alternative financial market; volatility of earnings and overall performance; debt service capacity is adequate.
- iii. Securities and Government bonds are securities and bonds with a rating between idBB+ to idB (Pefindo) or Ba1 to B2 (Moody's).

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.

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40. RISIKO PASAR (lanjutan)

Pengelolaan risiko pasar dilakukan sesuai dengan kebijakan dan prosedur Bank yang berkaitan dengan produk dan jasa serta aktivitas treasury dan risiko yang melekat pada bisnis.

Risiko suku bunga timbul akibat perubahan harga instrumen keuangan dari posisi *trading book* atau akibat perubahan nilai ekonomis posisi *banking book*, karena perubahan suku bunga.

Dalam mengelola risiko suku bunga dilakukan pada eksposur *banking book*, dengan memperhatikan posisi gap aset dan liabilitas Bank yang sensitif terhadap pergerakan suku bunga yang mempengaruhi stabilitas tingkat profitabilitas Bank.

Tabel di bawah ini merupakan rata-rata tingkat suku bunga kontraktual per tahun untuk aset dan liabilitas keuangan yang signifikan pada tanggal 31 Desember 2021 dan 2020:

40. MARKET RISK (continued)

Management of market risk is performed in accordance with the Bank's policies and procedures related with the products and services and also treasury activities and the inherent risk of the business.

Interest rate risk is risk as the effect of changes in the financial instrument prices from the trading book position or the effect of changes of the economic value position of the banking book because of the change in the interest rate.

Management of interest rate risk is performed on the banking book exposure by considering the gap position of the Bank's assets and liabilities, which are sensitive to interest rate movements, which influence the stability of the Bank's profitability level.

The tables below summarize the average of contractual interest rates per annum for significant financial assets and liabilities as of December 31, 2021 and 2020:

	2021		
	Rupiah %	Dolar Amerika Serikat/ United States Dollar %	
Aset			Assets
Giro pada Bank Indonesia	0,00%	0,00%	Current accounts with Bank Indonesia
Giro pada bank lain	0,03%	0,02%	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	3,00%	0,03%	Placements with Bank Indonesia and other banks
Surat-surat berharga	7,67%	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	3,50%	0,00%	Marketable securities purchased under resale agreement
Kredit yang diberikan dan pembiayaan syariah	10.50%-12.75%	0,00%	Loans and sharia financing
Liabilitas			Liabilities
Simpanan dari nasabah	0.00% - 3.00%	0.00% - 0.25%	Deposits from customers
Simpanan dari bank lain	0.31% - 3.22%	-	Deposits from other banks
	2020		
	Rupiah %	Dolar Amerika Serikat/ United States 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	0,75% - 21.57%	0,00%	Loans
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

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40. RISIKO PASAR (lanjutan)

Tabel berikut mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (*gross*) yang mungkin berdampak kepada arus kas di masa depan pada tanggal 31 Desember 2021 dan 2020:

40. MARKET RISK (continued)

The table below summarizes the Bank's exposure to interest rate risk (*gross*) which may affect the future cash flows as of December 31, 2021 and 2020:

	2021					Total/ Total	
	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		
Aset keuangan							Financial assets
Kas	2.023.077	-	-	-	-	2.023.077	Cash
Giro pada Bank Indonesia	8.805.300	-	-	-	-	8.805.300	Current accounts with Bank Indonesia
Giro pada bank lain	211.443	-	-	-	-	211.443	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	9.915.932	-	-	-	-	9.915.932	Placements with Bank Indonesia and other banks
Surat-surat berharga							Marketable securities
Biaya perolehan diamortisasi	6.022.859	2.579.296	12.226.108	-	-	20.828.263	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	11.554.760	-	-	-	-	11.554.760	Fair value through other comprehensive income
Surat berharga dibeli dengan janji dijual kembali	3.420.685	-	-	-	-	3.420.685	Marketable securities purchased under resale agreement
Tagihan lainnya	230.019	-	-	-	-	230.019	Other receivable
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	-	-	-	9.668.644	-	9.668.644	Working capital
Investasi	-	-	-	5.825.776	-	5.825.776	Investment
Konsumsi	-	-	-	27.255.139	-	27.255.139	Consumption
Pendapatan bunga yang masih akan diterima	14.497	35.352	744.051	-	-	793.900	Interest receivable
Jumlah aset keuangan	42.198.572	2.614.648	12.970.159	42.749.559	-	100.532.938	Total financial assets
Liabilitas keuangan							Financial liabilities
Liabilitas segera	593.875	-	-	-	-	593.875	Obligations due immediately
Simpanan dari nasabah							Deposits from customers
Giro	25.976.409	-	-	-	-	25.976.409	Current accounts
Tabungan	24.898.778	-	-	-	-	24.898.778	Savings accounts
Deposito berjangka	-	-	-	32.326.680	-	32.326.680	Time deposits
Simpanan dari bank lain	4.186.840	1.060	-	-	-	4.187.900	Deposits from other banks
Pinjaman yang diterima	-	578.795	-	-	76.493	655.288	Borrowings
Beban yang masih harus dibayar	478.647	-	-	-	-	478.647	Accrued expenses
Liabilitas lain-lain	529.738	-	-	-	-	529.738	Other liabilities
Jumlah liabilitas keuangan	56.664.287	579.855	-	32.326.680	76.493	89.647.315	Total financial liabilities
Gap repricing suku bunga, neto	(14.465.715)	2.034.793	12.970.159	10.422.879	(76.493)	10.885.623	Net interest repricing gap

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40. RISIKO PASAR (lanjutan)

Tabel berikut mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (*gross*) yang mungkin berdampak kepada arus kas di masa depan pada tanggal 31 Desember 2021 dan 2020 (lanjutan):

40. MARKET RISK (continued)

The table below summarizes the Bank's exposure to interest rate risk (*gross*) which may affect the future cash flows as of December 31, 2021 and 2020 (continued):

	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	-	-	-	-	2.511.548	Cash
Giro pada Bank Indonesia	3.659.968	-	-	-	-	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	6.884.658	-	-	-	-	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	-	-	10.922.640	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	3.744.097	-	-	-	-	3.744.097	Fair value through other comprehensive income
Surat berharga dijual dengan janji dibeli kembali	-	-	-	-	-	-	Marketable securities sold under repurchased agreement
Surat berharga dibeli dengan janji dijual kembali	12.573.044	-	-	-	-	12.573.044	Marketable securities purchased under resale agreement
Tagihan lainnya	131.932	-	-	-	-	131.932	Other receivable
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	-	-	-	8.599.891	-	8.599.891	Working capital
Investasi	-	-	-	6.050.859	-	6.050.859	Investment
Konsumsi	-	-	-	26.830.016	-	26.830.016	Consumption
Pendapatan bunga yang masih akan diterima	14.213	26.898	513.909	-	-	555.020	Interest receivable
Jumlah aset keuangan	<u>32.692.165</u>	<u>738.872</u>	<u>7.789.585</u>	<u>41.480.766</u>	<u>-</u>	<u>82.701.388</u>	Total financial assets
Liabilitas keuangan							Financial liabilities
Liabilitas segera	484.834	-	-	-	-	484.834	Obligations due immediately
Simpanan dari nasabah							Deposits from customers
Giro	21.129.415	-	-	-	-	21.129.415	Current accounts
Tabungan	22.874.298	-	-	-	-	22.874.298	Savings accounts
Deposito berjangka	-	-	-	24.464.567	-	24.464.567	Time deposits
Simpanan dari bank lain	2.853.044	2.560	-	-	-	2.855.604	Deposits from other banks
Pinjaman yang diterima	-	565.460	-	-	65.895	631.355	Borrowings
Beban yang masih harus dibayar	484.666	-	-	-	-	484.666	Accrued expenses
Liabilitas lain-lain	596.630	-	-	-	-	596.630	Other liabilities
Jumlah liabilitas keuangan	<u>48.422.887</u>	<u>568.020</u>	<u>-</u>	<u>24.464.567</u>	<u>65.895</u>	<u>73.521.369</u>	Total financial liabilities
Gap repricing suku bunga, neto	<u>(15.730.722)</u>	<u>170.852</u>	<u>7.789.585</u>	<u>17.016.199</u>	<u>(65.895)</u>	<u>9.180.019</u>	Net interest repricing gap

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40. RISIKO PASAR (lanjutan)

Tabel berikut menunjukkan sensitivitas terhadap kemungkinan perubahan satu poin presentase suku bunga yang wajar, dengan semua variabel lainnya tetap konstan, dalam laporan laba rugi dan penghasilan komprehensif lain Bank. Sensitivitas laporan laba rugi komprehensif adalah dampak dari perubahan asumsi suku bunga pada laporan laba rugi dan penghasilan komprehensif lain pada periode tersebut. Sensitivitas total laba atau rugi didasarkan pada asumsi bahwa ada pergeseran paralel pada kurva hasil.

40. MARKET RISK (continued)

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.

	2021		
	<u>Kenaikan/ Increase</u>	<u>Penurunan/ Decrease</u>	
Pengaruh terhadap laporan laba rugi dan penghasilan komprehensif lain	75.967	(75.967)	Impact to statement of profit or loss and other comprehensive income

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 2021 dan 2020, pengaruh nilai tukar mata uang asing tidak signifikan terhadap Bank.

As of December 31, 2021 and, 2020, the effect of foreign exchange rates fluctuations is insignificant to the Bank.

41. RISIKO LIKUIDITAS

Risiko likuiditas adalah risiko akibat ketidakmampuan Bank untuk memenuhi liabilitas yang jatuh tempo dari sumber pendanaan arus kas dan/atau dari aset likuid berkualitas tinggi yang dapat diagunkan tanpa mengganggu aktivitas dan kondisi keuangan Bank.

41. LIQUIDITY RISK

Liquidity risk is the risk which is caused by the Bank's inability to fulfil its obligations when they become due from cash flow financing sources and/or high quality liquid assets that can be pledged without affecting the Bank's activities and financial condition.

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.

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41. RISIKO LIKUIDITAS (lanjutan)

Rasio dari aset likuid neto terhadap simpanan nasabah adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>
Kas dan setara kas	20.957.753	13.293.889
Surat berharga yang dijual dengan janji dibeli kembali	-	-
Tagihan reverse repo	3.420.685	12.573.044
Simpanan dari bank lain	4.187.900	(2.855.604)
Jumlah	<u>28.566.338</u>	<u>23.011.329</u>
Simpanan dari nasabah	83.201.867	68.468.280
Rasio aset likuid neto terhadap simpanan dari nasabah	34,33%	33,61%

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (pokok saja) pada tanggal 31 Desember 2021 dan 2020:

41. LIQUIDITY RISK (continued)

The ratio of net liquid assets to deposits from customers are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalent	20.957.753	13.293.889
Marketable securities sold under purchased agreement	-	-
Reverse repo receivables	3.420.685	12.573.044
Deposits from other banks	4.187.900	(2.855.604)
Total	<u>28.566.338</u>	<u>23.011.329</u>
Deposits from customers	83.201.867	68.468.280
Ratio of net liquid assets to deposit from customers	34,33%	33,61%

The following maturity tables provide information about the expected maturities within which financial assets and liabilities (principal only) as of December 31, 2021 and 2020:

	<u>2021</u>						
	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	2.023.077	2.023.077	-	-	-	-	Cash
Giro pada Bank Indonesia	8.805.300	1.781.878	-	-	-	7.023.422	Current accounts with Bank Indonesia
Giro pada bank lain	211.443	211.443	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	9.915.932	9.313.829	290.619	252.644	39.861	18.979	Placements with Bank Indonesia and other banks
Surat-surat berharga							Marketable securities
Biaya perolehan diamortisasi	20.828.263	3.404.795	2.618.064	1.668.261	911.035	12.226.108	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	11.554.760	10.536.388	1.018.372	-	-	-	Fair value through other comprehensive income
Surat berharga dibeli dengan janji dijual kembali	3.420.685	3.420.685	-	-	-	-	Marketable securities purchased under resale agreement
Tagihan lainnya	230.019	230.019	-	-	-	-	Other receivable
Kredit yang diberikan pembiayaan syariah							Loans and sharia financing
Modal kerja	8.476.424	969.980	624.357	1.344.396	1.894.283	3.643.408	Working capital
Investasi	5.567.896	115.976	3.395	7.582	23.170	5.417.773	Investment
Konsumsi	26.873.822	21.785	16.361	53.678	238.264	26.543.734	Consumption
Pendapatan bunga yang masih akan diterima	793.900	2.628	11.869	17.399	17.953	744.051	Interest receivable
Jumlah	<u>98.701.521</u>	<u>32.032.483</u>	<u>4.583.037</u>	<u>3.343.960</u>	<u>3.124.566</u>	<u>55.617.475</u>	Total
Liabilitas keuangan							Financial liabilities
Liabilitas segera	593.875	593.875	-	-	-	-	Obligations due immediately
Simpanan dari nasabah	83.201.867	12.511.223	19.267.011	4.511.689	3.899.151	43.012.793	Deposits from customers
Simpanan dari bank lain	4.187.900	4.043.920	142.920	60	1.000	-	Deposits from other banks
Pinjaman yang diterima	655.288	257.993	-	7.410	-	389.885	Borrowings
Beban yang masih harus dibayar	478.647	478.647	-	-	-	-	Accrued expenses
Liabilitas lain-lain	529.738	529.738	-	-	-	-	Other liabilities
Jumlah	<u>89.647.315</u>	<u>18.415.396</u>	<u>19.409.931</u>	<u>4.519.159</u>	<u>3.900.151</u>	<u>43.402.678</u>	Total
Perbedaan jatuh tempo	<u>9.054.206</u>	<u>13.617.087</u>	<u>(14.826.894)</u>	<u>(1.175.199)</u>	<u>(775.585)</u>	<u>12.214.797</u>	Maturity gap

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41. RISIKO LIKUIDITAS (lanjutan)

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (pokok saja) pada tanggal 31 Desember 2021 dan 2020 (lanjutan):

41. LIQUIDITY RISK (continued)

The following maturity tables provide information about the expected maturities within which financial assets and liabilities (principal only) as of December 31, 2021 and 2020 (continued):

	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	-	-	-	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	-	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	Working capital	
Investasi	6.050.859	88.735	2.894	54.084	25.742	Investment	
Konsumsi	26.830.016	22.028	33.275	60.973	259.096	Consumption	
Pendapatan bunga yang masih akan diterima	555.020	61	14.152	13.564	13.334	Interest receivable	
Jumlah	82.701.388	14.259.387	4.777.611	15.015.186	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	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	-	Borrowings	
Beban yang masih harus dibayar	484.666	484.666	-	-	-	Accrued expenses	
Liabilitas lain-lain	596.630	596.630	-	-	-	Other liabilities	
Jumlah	73.520.919	23.281.990	8.366.644	1.387.836	3.360.959	37.123.490	Total
Perbedaan jatuh tempo	9.180.469	(9.022.603)	(3.589.033)	13.627.350	(816.037)	8.980.792	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.

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.

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42. RISIKO OPERASIONAL (lanjutan)

Metode dan kebijakan dalam pengendalian risiko operasional dilaksanakan diantaranya melalui:

- i. Pengkajian terhadap kebijakan, pedoman, dan prosedur pengendalian internal sesuai dengan kondisi perkembangan dunia perbankan, kebijakan pemerintah dan limitasi operasional yang telah ditetapkan;
- ii. Pengkajian dan penerapan *Disaster Recovery Plan* sebagai langkah antisipasi atas kejadian internal maupun eksternal yang berpotensi menimbulkan kerugian;
- iii. Tindakan koreksi terhadap hasil temuan audit; dan
- iv. Pengkajian dari penerapan Rencana Kontinjensi Usaha dalam pengelolaan dan pengendalian aktivitas Bank.

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.

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.

42. OPERATIONAL RISK (continued)

The methods and policies involving operational risk management are performed, among others, through the following:

- i. Evaluation of internal control policies, guidance, and procedures in accordance with the banking industry development, government policies, and pre-determined operational limits;*
- ii. Evaluation and implementation of a Disaster Recovery Plan as the anticipated procedures to be applied during internal and external potential loss events;*
- iii. Implementing corrective actions based on audit results; and*
- iv. Reviewing the implementation of the Business Contingency Plan in the management and control of the Bank's activities.*

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. REPUTATION RISK

Reputation risk is the risk due to a decrease in the stakeholders' trust that results from a negative perception of the Bank.

Reputation risk identification is performed periodically based on the knowledge of historical losses due to reputation risk. Reputation risk valuation is performed qualitatively among others from negative publications and commentaries from the public/customers and customer's complaints.

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45. RISIKO KEPATUHAN

Risiko kepatuhan adalah risiko yang terjadi karena Bank tidak mematuhi dan/atau tidak melaksanakan ketentuan internal dan peraturan perundang-undangan. Pada praktiknya, risiko kepatuhan melekat pada risiko Bank yang terkait pada peraturan perundang-undangan, ketentuan kehati-hatian dan ketentuan lain yang berlaku, seperti:

- i. Risiko kredit terkait dengan ketentuan Kewajiban Penyediaan Modal Minimum (KPM), Kualitas Aset, Pembentukan Cadangan Kerugian Penurunan Nilai (CKPN), dan Batas Maksimum Pemberian Kredit (BMPK);
- ii. Risiko pasar terkait dengan ketentuan Posisi Devisa Neto (PDN); dan
- iii. Risiko lain yang terkait dengan ketentuan eksternal dan internal.

Identifikasi risiko kepatuhan dilakukan secara berkala sesuai dengan pengalaman kerugian di masa lalu yang disebabkan oleh risiko kepatuhan dan pengukuran risiko kepatuhan juga dilakukan melalui perhitungan risiko berdasarkan data kerugian akuntansi dengan menggunakan pendekatan distribusi kerugian untuk perhitungan *capital charges*.

46. RISIKO STRATEJIK

Risiko stratejik adalah risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan stratejik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis. Identifikasi risiko stratejik dilakukan secara berkala sesuai dengan pengalaman kerugian dimasa lalu yang disebabkan oleh risiko stratejik. Pengendalian risiko stratejik dilakukan melalui monitoring pencapaian/realisasi atas anggaran yang sudah ditetapkan secara berkala dan dilanjutkan dengan mitigasi dari faktor-faktor penyebab kegagalan.

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.

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; and*
- iii. Other risks related to external and internal regulations.*

Compliance risk identification is performed periodically based on the knowledge of historical losses due to compliance risk and is measured through risk calculations based on accounting loss data using a loss distribution approach for calculating capital charges.

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.

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47. MANAJEMEN MODAL (lanjutan)

Kebutuhan permodalan Bank juga direncanakan dan didiskusikan secara rutin yang didukung dengan data-data analisis.

Rencana Permodalan disusun oleh Dewan Direksi sebagai bagian dan Rencana Bisnis Bank dan disetujui oleh Dewan Komisaris. Perencanaan ini diharapkan akan memastikan tersedianya modal yang cukup dan terciptanya struktur permodalan yang kuat guna mendukung pertumbuhan bisnis ke depan.

Otoritas Jasa Keuangan (OJK) menentukan dan mengawasi kebutuhan modal Bank. Bank diwajibkan untuk menaati peraturan yang berlaku dalam hal ini modal yang diwajibkan regulator. Pendekatan Bank terhadap pengelolaan modal ditentukan oleh strategi dan persyaratan organisasi bank, dengan memperhitungkan peraturan, serta keadaan ekonomi dan komersial.

Bank mematuhi semua persyaratan modal yang ditetapkan oleh pihak regulator sepanjang periode pelaporan, khususnya berkenaan dengan perhitungan Kewajiban Penyediaan Modal Minimum (KPMM) dan Aktiva Tertimbang Menurut Risiko (ATMR).

Bank menghitung kebutuhan modal berdasarkan POJK No.34/POJK.03/2016 tanggal 22 November 2016 tentang "Perubahan Atas Peraturan Otoritas Jasa Keuangan No.11/POJK.03/2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum" dan Surat Edaran OJK No.43/SEOJK.03/2016 tentang "Transparansi dan Publikasi Laporan Bank Umum Konvensional", dimana modal yang diwajibkan regulator dianalisa dalam dua tier sebagai berikut:

- Modal inti (tier 1), yang terdiri dari modal inti utama dan modal inti tambahan. Modal inti utama antara lain meliputi modal ditempatkan dan disetor penuh, tambahan modal disetor, cadangan umum, laba tahun-tahun lalu dan periode/tahun berjalan (100%), penghasilan komprehensif lainnya berupa potensi keuntungan/kerugian yang berasal dari perubahan nilai wajar aset keuangan dalam kelompok tersedia untuk dijual, selisih kurang dari penyisihan penghapusan aset produktif sesuai ketentuan Bank Indonesia dan cadangan kerugian penurunan nilai aset produktif yang diperbolehkan. Aset pajak tangguhan, aset takberwujud (termasuk *goodwill*) dan penyertaan (100%) merupakan faktor pengurang modal inti utama. Modal inti tambahan antara lain terdiri dari saham preferen, surat berharga subordinasi dan pinjaman subordinasi dimana ketiganya bersifat non kumulatif setelah dikurangi pembelian kembali.
- Modal pelengkap (tier 2) antara lain meliputi instrumen modal, agio atau disagio, cadangan umum aset produktif dan cadangan tujuan sesuai ketentuan Bank Indonesia.

47. CAPITAL MANAGEMENT (continued)

The capital needs of the Bank are also discussed and planned on a routine basis supported by data analysis.

Capital Planning is prepared by the Board of Directors as part of Bank's business plan and is approved by the Board of Commissioners. Capital Planning ensures that adequate levels of capital and strong mix of the different components of capital are maintained to support business growth in the future.

Financial Services Authority (OJK) sets and monitors capital requirements for the Bank. The Bank is required to comply with prevailing regulation in respect of regulatory capital. The Bank's approach to capital management is driven by bank's strategic and organisational requirements, taking into account regulatory, economic and commercial environment.

Bank has complied with all regulator imposed capital requirements throughout the reporting period, particularly regarding Capital Adequacy Ratio (CAR) and calculation of Risk Weighted Assets (RWA).

Bank calculates its capital requirements in accordance with POJK No.34/POJK.03/2016 dated November 22, 2016 about "Changes of Financial Service Authority Regulation No.11/POJK.03/2016 about Minimum Capital Reserve for Commercial Bank" and OJK Circular Letter No.43/SEOJK.03/2016 about "Transparency and Publication Conventional Commercial Bank Report", where the regulatory capital is analysed into two tiers as follows:

- *Tier 1 capital, which consists of core and additional core capital. Core capital includes issued and fully paid-up capital, additional paid-in capital, general reserve, specific reserve, retained earnings and profit for the period/year (100%), other comprehensive income deriving from potential gain/loss from the changes in fair value of financial assets classified as available-for-sale, shortfall between allowable amount of allowance for uncollectible account on productive assets according to Bank Indonesia guideline and allowance for impairment losses on productive assets. Deferred tax assets, intangible assets (including goodwill) and share investments (100%) are deducted from core capital. Additional core capital includes non-cumulative preference shares, subordinated securities and subordinated debts net of buyback portion.*
- *Supplementary capital (tier 2), which includes capital instruments, agio or disagio, general reserves of productive assets and purpose reserves according to Bank Indonesia guideline.*

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47. MANAJEMEN MODAL (lanjutan)

Beberapa batasan berlaku untuk bagian-bagian modal yang diwajibkan oleh regulator, antara lain Bank wajib menyediakan modal inti (tier 1) paling rendah sebesar 6,00% dari ATMR dan modal inti utama (*Common Equity* tier 1) paling rendah sebesar 4,50% dari ATMR, baik secara individual maupun secara dengan entitas anak.

- Modal tier 1, meliputi modal ditempatkan dan disetor penuh, cadangan umum, saldo laba dan laba periode berjalan.
- Modal tier 2, meliputi penyisihan kerugian penurunan nilai yang diperbolehkan.

Bank tidak mempunyai modal tambahan lain yang memenuhi kriteria modal tier 3 sesuai dengan peraturan BI yang berlaku.

Berbagai batasan telah diterapkan untuk bagian-bagian modal yang diwajibkan oleh regulator. Pengaruh dari pajak tangguhan telah dikeluarkan dalam menentukan jumlah saldo laba untuk modal tier 1; hanya 50 persen laba periode berjalan sebelum pajak tangguhan yang dapat diperhitungkan dalam modal tier 1; dan modal tier 2 tidak boleh melebihi modal tier 1. Juga terdapat batasan jumlah penyisihan kolektif penurunan nilai yang boleh dimasukkan sebagai bagian dari modal tier 2.

ATMR Bank ditentukan berdasarkan persyaratan yang telah ditentukan yang mencerminkan berbagai tingkatan risiko yang terkait dengan aset dan eksposur, yang tidak tercermin dalam laporan posisi keuangan. Berdasarkan peraturan BI, Bank diharuskan untuk mempertimbangkan risiko kredit, risiko pasar dan risiko operasional dalam mengukur ATMR Bank.

Kebijakan Bank adalah menjaga modal yang kuat untuk menjaga kepercayaan pemodal, kreditor 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.

47. CAPITAL MANAGEMENT (continued)

Various limits have been set to elements of the regulatory capital, such as Banks are required to provide core capital (tier 1) at a minimum of 6.00% from Risk Weighted Assets and Common Equity tier 1 at a minimum of 4.50% from Risk Weighted Assets, both individually and level with subsidiary.

- *Tier 1 capital, which includes issued and fully paid share capital, general reserve, retained earnings and profit for the period.*
- *Tier 2 capital, which includes the eligible amount of allowance for impairment losses.*

The Bank does not have any other supplementary capital which meets the criteria of tier 3 capital under prevailing BI regulation.

Various limits are applied to elements of the regulatory capital. The effect of deferred taxation has been excluded in determining the amount of retained earnings for tier 1 capital; only 50 percent of the profit for the period before deferred taxation being included in tier 1 capital; and qualifying tier 2 capital cannot exceed tier 1 capital. There is also a restriction on the amount of collective impairment allowances that may be included as part of tier 2 capital.

ATMR are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognized in the statement of financial position. Based on BI regulations, the Bank needs to take into consideration its credit risk, market risk and operational risk in measuring the ATMR.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The impact of the level of capital on shareholders' return is also recognized and the Banks also recognise the need to maintain a balance between the higher return that might be possible with greater gearing and the advantages and security level afforded by a strong capital position.

Management uses regulatory capital ratios in order to monitor its capital base, and these capital ratios remain the industry standards for measuring capital adequacy. OJK's approach to such measurement is primarily based on monitoring the relationship of the Bank's risk profile with the available capital. The Bank is required to provide minimum capital based on the risk profile.

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47. MANAJEMEN MODAL (lanjutan)

Penyediaan modal minimum sebagaimana dimaksud ditetapkan sebagai berikut:

- Untuk profil risiko peringkat 1 (satu), modal minimum terendah yang wajib dimiliki adalah 8% dari Aset Tertimbang Menurut Risiko;
- Untuk profil risiko peringkat 2 (dua), modal minimum terendah yang wajib dimiliki adalah 9% sampai dengan kurang dari 10% dari Aset Tertimbang Menurut Risiko;
- Untuk profil risiko peringkat 3 (tiga), modal minimum terendah yang wajib dimiliki adalah 10% sampai dengan kurang dari 11% dari Aset Tertimbang Menurut Risiko; dan
- Untuk profil risiko peringkat 4 (empat) atau 5 (lima), modal minimum terendah yang wajib dimiliki adalah 11% sampai dengan kurang dari 14% dari Aset Tertimbang Menurut Risiko.

Posisi modal yang diwajibkan regulator Bank sesuai peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>	
Modal inti (Tier 1)			Core capital (Tier 1)
Modal inti utama (CET 1)	9.297.192	8.411.757	Common equity tier (CET 1)
Modal inti tambahan (AT 1)	-	-	Additional equity tier (AT 1)
	<u>9.297.192</u>	<u>8.411.757</u>	
Modal pelengkap (Tier 2)	415.071	414.072	Supplementary capital (Tier 2)
Jumlah modal	<u>9.712.263</u>	<u>8.825.829</u>	Total capital
Aset Tertimbang Menurut Risiko			Risk Weighted Asset
Risiko kredit	32.790.641	32.711.702	Credit risk
Risiko operasional	8.397.351	7.978.478	Operational risk
Risiko pasar	98.936	85.830	Market risk
Jumlah Aset Tertimbang Menurut Risiko	<u>41.286.928</u>	<u>40.776.010</u>	Total Risk Weighted Asset
Rasio kecukupan modal			Capital Adequacy Ratio
Rasio CET 1	22,52%	20,63%	CET 1 ratio
Rasio tier 1	22,52%	20,63%	Tier 1 ratio
Rasio tier 2	1,01%	1,02%	Tier 2 ratio
Rasio modal terhadap ATMR	23,52%	21,64%	Ratio of capital to ATMR
Rasio kewajiban penyediaan modal minimum untuk risiko kredit dan risiko operasional	23,58%	21,70%	Capital adequacy ratio with credit and operational risk
Rasio kewajiban penyediaan modal minimum untuk risiko kredit, risiko pasar dan risiko operasional	23,52%	21,64%	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

47. CAPITAL MANAGEMENT (continued)

Minimum capital requirements are as follows:

- For banks with risk profile rating 1 (one), the minimum capital requirement is 8% of Risk Weighted Asset;
- For banks with risk profile rating 2 (two), the minimum capital requirement is 9% to less than 10% of Risk Weighted Asset;
- For banks with risk profile rating 3 (three), the minimum capital requirement is 10% to less than 11% of Risk Weighted Asset; and
- For banks with risk profile rating 4 (four) or 5 (five), the minimum capital requirement is 11% to less than 14% of Risk Weighted Asset.

The Bank's regulatory capital position under prevailing Bank Indonesia regulation as of December 31, 2021 and 2020 are as follows:

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47. MANAJEMEN MODAL (lanjutan)

OJK berwenang menetapkan modal minimum lebih besar dari modal minimum dalam hal OJK menilai suatu bank menghadapi potensi kerugian yang membutuhkan modal lebih besar.

Berdasarkan *self-assessment* Bank, pada tanggal 31 Desember 2021 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 23,52%.

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 2021 dan 2020 adalah sebagai berikut:

Mata uang	2021			
	Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value
POSISI KEUANGAN				
Dolar Amerika Serikat	83.352	98.371	(15.019)	15.019
Riyal Saudi Arabia	8.534	-	8.534	8.534
Dolar Singapura	3.966	5.265	(1.299)	1.299
Euro	3.959	388	3.571	3.571
Ringgit Malaysia	3.493	-	3.493	3.493
Poundsterling Inggris Raya	2.028	-	2.028	2.028
Dolar Australia	1.795	-	1.795	1.795
Yuan China Renminbi	1.348	-	1.348	1.348
Yen Jepang	777	20	757	757
Dolar Hong Kong	747	19	728	728
	109.999	104.063	5.936	38.572
REKENING ADMINISTRATIF				
Dolar Amerika Serikat	-	42.758	(42.758)	42.758
Jumlah	109.999	146.821	5.936	81.330
Total modal (Catatan 47)				9.712.268
Rasio Posisi Devisa Neto (Posisi keuangan)				0,40%
Rasio Posisi Devisa Neto				0,84%

47. CAPITAL MANAGEMENT (continued)

OJK is authorised to stipulate minimum capital greater than minimum capital in terms of OJK assesses a bank as facing potential losses which requires a larger capital.

Based on its *self-assessment*, as of December 31, 2021 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 23.52%, which was higher than the required minimum provision of capital.

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, 2021 and 2020 are as follows:

Currencies
FINANCIAL POSITION
United States Dollar
Saudi Arabian Riyal
Singapore Dollar
Euro
Malaysian Ringgit
Great Britain Poundsterling
Australian Dollar
Chinese Yuan Renminbi
Japanese Yen
Hong Kong Dollar
ADMINISTRATIVE ACCOUNTS
United States Dollar
Total
Total capital (Note 47)
Net Open Position as a percentage of capital (Financial position)
Net Open Position as a percentage of capital

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48. POSISI DEvisa NETO (lanjutan)

48. NET OPEN POSITION (continued)

Mata uang	2020				Currencies
	Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value	
<u>POSISI KEUANGAN</u>					<u>FINANCIAL POSITION</u>
Dolar Amerika Serikat	101.040	104.653	(3.613)	3.613	United States Dollar
Ringgit Malaysia	10.207	-	10.207	10.207	Malaysian Ringgit
Dolar Singapura	8.446	3.246	5.200	5.200	Singapore Dollar
Riyal Saudi Arabia	8.287	1	8.286	8.286	Saudi Arabian Riyal
Euro	3.487	259	3.228	3.228	Euro
Yen Jepang	1.836	8	1.828	1.828	Japanese Yen
Dolar Australia	1.744	-	1.744	1.744	Australian Dollar
Poundsterling Inggris Raya	1.507	-	1.507	1.507	Great Britain Poundsterling
Yuan China Renminbi	1.060	-	1.060	1.060	Chinese Yuan Renminbi
Dolar Hong Kong	684	19	665	665	Hong Kong Dollar
	138.298	108.186	30.112	37.338	
<u>REKENING ADMINISTRATIF</u>					<u>ADMINISTRATIVE ACCOUNTS</u>
Dolar Amerika Serikat	-	42.150	(42.150)	42.150	United States Dollar
Jumlah	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

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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 2021 dan 2020:

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, 2021 and 2020:

	2021		2020		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Aset Keuangan					Financial Assets
Kas	2.023.077	2.023.077	2.511.548	2.511.548	Cash
Surat Berharga					Securities
Nilai wajar melalui pendapatan komprehensif lain					Fair value through other comprehensive income
Surat Utang Negara	11.554.760	11.554.760	3.744.097	3.744.097	Government bonds
Biaya perolehan diamortisasi					Amortized cost
Surat Utang Negara	15.530.273	15.530.273	5.387.370	5.387.370	Government bonds
Obligasi:					Bonds:
PT Pupuk Indonesia (Persero)	337.948	337.948	152.093	152.093	PT Pupuk Indonesia (Persero)
PT Pegadaian (Persero)	255.018	255.018	227.691	227.691	PT Pegadaian (Persero)
PT Sarana Multigriya Finansial (Persero)	246.253	246.253	351.240	351.240	PT Sarana Multigriya Finansial (Persero)
PT Perusahaan Listrik Negara (Persero)	110.209	110.209	92.009	92.009	PT Perusahaan Listrik Negara (Persero)
PT Semen Indonesia Persero	193.994	193.994	172.423	172.423	PT Semen Indonesia Persero
PT Sarana Multi Infrastruktur (Persero)	190.131	190.131	127.037	127.037	PT Sarana Multi Infrastruktur (Persero)
PT Bank Rakyat Indonesia (Persero) Tbk	157.788	157.788	66.000	66.000	PT Bank Rakyat Indonesia (Persero) Tbk
PT Jasa Marga (Persero) Tbk	55.000	55.000	55.000	55.000	PT Jasa Marga (Persero) Tbk
PT Bank Mandiri Taspen	54.148	54.148	30.263	30.263	PT Bank Mandiri Taspen
PT Hutama Karya	50.873	50.873	-	-	PT Hutama Karya
PT Astra Sedaya Finance	50.000	50.000	100.000	100.000	PT Astra Sedaya Finance
PT Bank CIMB Niaga Tbk	49.307	49.307	80.785	80.785	PT Bank CIMB Niaga Tbk
PT Bank Pembangunan Daerah					PT Bank Pembangunan Daerah
Jawa Barat dan Banten Tbk	41.950	41.950	50.000	50.000	Jawa Barat dan Banten Tbk
PT Indofood Sukses Makmur Tbk	41.637	41.637	41.957	41.957	PT Indofood Sukses Makmur Tbk
PT Telekomunikasi Indonesia Tbk	37.519	37.519	38.561	38.561	PT Telekomunikasi Indonesia Tbk
PT Indonesia Infrastructure Finance	30.323	30.323	-	-	PT Indonesia Infrastructure Finance
PT Mandiri Tunas Finance Tbk	31.247	31.247	31.670	31.670	PT Mandiri Tunas Finance Tbk
PT Bank Negara Indonesia Tbk	30.270	30.270	30.755	30.755	PT Bank Negara Indonesia Tbk
PT Bank Tabungan Negara (Persero) Tbk	30.218	30.218	30.618	30.618	PT Bank Tabungan Negara (Persero) Tbk
PT Bank Danamon Indonesia Tbk	30.209	30.209	30.708	30.708	PT Bank Danamon Indonesia Tbk
PT Bank Mandiri (Persero) Tbk	27.430	27.430	17.000	17.000	PT Bank Mandiri (Persero) Tbk
PT Maybank Indonesia Tbk	10.170	10.170	-	-	PT Maybank Indonesia Tbk
PT Bank Pan Indonesia Tbk	10.057	10.057	45.612	45.612	PT Bank Pan Indonesia Tbk
PT Medco Energi Internasional Tbk	-	-	37.500	37.500	PT Medco Energi Internasional Tbk
PT Indosat Tbk	-	-	55.015	55.015	PT Indosat Tbk
PT Bank Central Asia Finance	-	-	75.000	75.000	PT Bank Central Asia Finance
PT Pembangunan Perumahan (Persero) Tbk	-	-	57.000	57.000	PT Pembangunan Perumahan (Persero) Tbk
PT Angkasa Pura I (Persero)	-	-	50.574	50.574	PT Angkasa Pura I (Persero)
PT Angkasa Pura II (Persero)	-	-	50.530	50.530	PT Angkasa Pura II (Persero)
PT XL Axiata	-	-	25.229	25.229	PT XL Axiata
PT Bank Pembangunan Daerah DKI	-	-	5.071	5.071	PT Bank Pembangunan Daerah DKI
PT Bank Pembangunan Daerah Sulselbar	-	-	10.152	10.152	PT Bank Pembangunan Daerah Sulselbar
Sukuk Bank Indonesia	541.392	541.392	317.412	317.412	Bank Indonesia Sukuk

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49. ASET DAN LIABILITAS KEUANGAN (lanjutan)

49. FINANCIAL ASSETS AND LIABILITIES (continued)

	2021		2020		
	Nilai tercatat/ <i>Carrying value</i>	Nilai wajar/ <i>Fair value</i>	Nilai tercatat/ <i>Carrying value</i>	Nilai wajar/ <i>Fair value</i>	
Sertifikat Investasi Mudharabah Antarbank (SIMA):					Interbank Mudharabah Investment Certificates:
PT Bank Pembangunan Daerah					PT Bank Pembangunan Daerah
Kalimantan Timur dan Kalimantan Utara	99.000	99.000	45.000	45.000	Kalimantan Timur dan Kalimantan Utara
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (Syariah)	40.000	40.000	-	-	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk (Syariah)
PT Bank Pembangunan Daerah Jawa Tengah	-	-	200.000	200.000	PT Bank Pembangunan Daerah Jawa Tengah
PT Bank Rakyat Indonesia (Syariah)	-	-	70.000	70.000	PT Bank Rakyat Indonesia (Syariah)
Negotiable Certificate of Deposit (NCD):					Negotiable Certificate of Deposit:
PT Bank Of Tokyo - Mitsubishi UFJ Ltd	99.281	99.281	93.863	93.863	PT Bank Of Tokyo - Mitsubishi UFJ Ltd
PT Bank Pembangunan Daerah DKI	39.226	39.226	-	-	PT Bank Pembangunan Daerah DKI
PT Bank Maybank Indonesia	38.823	38.823	-	-	PT Bank Maybank Indonesia
PT Bank Pembangunan Daerah Bali	28.765	28.765	-	-	PT Bank Pembangunan Daerah Bali
PT Bank Commonwealth Indonesia	-	-	89.650	89.650	PT Bank Commonwealth Indonesia
Surat Berharga Jangka Menengah :					Medium Term Notes:
PT Kimia Farma (Persero) Tbk	-	-	80.000	80.000	PT Kimia Farma (Persero) Tbk
PT Telekomunikasi Indonesia Tbk	-	-	13.188	13.188	PT Telekomunikasi Indonesia Tbk
Reksadana:					Reksadana:
PT Trimegah Asset Management	900.000	900.000	150.000	150.000	PT Trimegah Asset Management
PT Permodalan Nasional Madani	689.000	689.000	619.000	619.000	PT Permodalan Nasional Madani
PT Avrist Asset Management	300.000	300.000	500.000	500.000	PT Avrist Asset Management
PT Bahana TCW Investment Management	300.000	300.000	200.000	200.000	PT Bahana TCW Investment Management
PT Gemilang Indonesia Manajemen Investasi	100.000	100.000	100.000	100.000	PT Gemilang Indonesia Manajemen Investasi
PT Setiabudi Investment Management	50.000	50.000	-	-	PT Setiabudi Investment Management
PT Danareksa Investment Management	-	-	250.000	250.000	PT Danareksa 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	Domestic L/C
Wesel	6.747	6.747	-	-	Bill
	32.390.987	32.388.966	14.668.757	14.666.737	
	34.414.064	34.412.043	17.180.305	17.178.285	

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49. ASET DAN LIABILITAS KEUANGAN (lanjutan)

	2021	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
Biaya perolehan diamortisasi		
Giro pada Bank Indonesia	8.805.300	8.805.300
Giro pada Bank lain	211.681	211.681
Penempatan pada Bank Indonesia dan bank lain	9.917.695	9.917.695
Tagihan reverse repo	3.420.685	3.420.685
Tagihan lainnya	230.019	230.019
Kredit yang diberikan dan pembiayaan syariah		
Modal kerja	9.668.644	9.668.644
Investasi	5.825.776	5.825.776
Konsumsi	27.255.139	27.255.139
Pendapatan bunga yang masih akan diterima	793.900	793.900
	66.128.839	66.128.839
Jumlah	98.519.826	98.517.805
Liabilitas keuangan		
Liabilitas lain-lain		
Liabilitas segera	593.875	593.875
Simpanan nasabah	83.201.867	83.201.867
Simpanan dari bank lain	4.187.900	4.187.900
Pinjaman yang diterima	655.288	655.288
Beban yang masih harus dibayar	478.647	478.647
Liabilitas lain-lain	529.738	529.738
Jumlah	89.647.315	89.647.315

- i. Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat-surat berharga dan tagihan lainnya

Nilai tercatat dari kas dan setara kas, giro serta penempatan dengan suku bunga mengambang adalah perkiraan yang layak atas nilai wajar.

Estimasi nilai wajar terhadap penempatan dengan suku bunga tetap, surat-surat berharga dan tagihan lainnya ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga pasar uang yang berlaku untuk utang dengan risiko kredit dan sisa jatuh tempo yang serupa. Karena sisa jatuh tempo di bawah 1 (satu) tahun, sehingga nilai tercatat dari penempatan dengan suku bunga tetap, surat-surat berharga dan tagihan lainnya adalah perkiraan yang layak atas nilai wajar.

49. FINANCIAL ASSETS AND LIABILITES (continued)

	2020		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
			<i>Amortised cost</i>
	3.659.968	3.659.968	<i>Current accounts with Bank Indonesia</i>
	237.715	237.715	<i>Current accounts with other banks</i>
			<i>Placement with Bank Indonesia</i>
	6.884.658	6.884.658	<i>and other banks</i>
	12.573.044	12.573.044	<i>Reverse repo receivables</i>
	131.932	131.932	<i>Other receivables</i>
			<i>Loans and sharia financing</i>
	8.599.891	8.599.891	<i>Working capital</i>
	6.050.859	6.050.859	<i>Investment</i>
	26.830.016	26.830.016	<i>Consumption</i>
	555.020	555.020	<i>Interest receivables</i>
	65.523.103	65.523.103	
	80.191.860	80.189.840	Total
			<i>Financial liabilities</i>
			<i>Other liabilities</i>
	484.834	484.834	<i>Obligations due immediately</i>
	68.468.280	68.468.280	<i>Deposits from customers</i>
	2.855.604	2.855.604	<i>Deposits from other banks</i>
	631.355	631.355	<i>Borrowings</i>
	484.666	484.666	<i>Accrued expenses</i>
	596.630	596.630	<i>Other liabilities</i>
	73.521.369	73.521.369	Total

- i. *Current accounts with Bank Indonesia, other banks, placements with Bank Indonesia and other banks, marketable securities and other receivables*

Carrying value of cash and cash equivalents, current accounts and placements at floating interest rates are the reasonable estimates of fair value.

The estimated fair value of placements with fixed interest rates, marketable securities and other receivables are determined based on discounted cash flows using the prevailing money market interest rates for debt with the same credit risks and remaining maturity. Because the residual maturity dates are below 1 (one) year, the carrying amount of fixed rate placements, marketable securities and other receivables are reasonable estimates of fair value.

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49. ASET DAN LIABILITAS KEUANGAN (lanjutan)

ii. Kredit yang diberikan dan pembiayaan syariah

Portofolio kredit Bank terdiri dari kredit yang diberikan dengan suku bunga tetap. Kredit yang diberikan dinyatakan berdasarkan jumlah nilai tercatat. Nilai wajar dari kredit yang diberikan menunjukkan nilai diskonto dari perkiraan arus kas masa depan yang diharapkan akan diterima oleh Bank. Perkiraan arus kas ini didiskontokan dengan menggunakan suku bunga pasar untuk menentukan nilai wajar.

iii. Liabilitas segera, simpanan dari nasabah dan simpanan dari bank lain dan liabilitas lain-lain

Estimasi nilai wajar liabilitas segera, simpanan tanpa jatuh tempo, termasuk simpanan tanpa bunga adalah sebesar jumlah terutang ketika utang tersebut dibayarkan.

Estimasi nilai wajar terhadap simpanan dengan tingkat suku bunga tetap dan liabilitas lain-lain yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa. Adalah tidak praktis untuk memperkirakan nilai wajar dari setoran jaminan dikarenakan tidak memiliki jangka waktu pembayaran yang tetap meskipun tidak diharapkan dapat diselesaikan dalam waktu 12 bulan setelah tanggal pelaporan, sehingga nilai tercatat dari simpanan dengan suku bunga tetap dan liabilitas lain-lain adalah perkiraan yang layak atas nilai wajar.

iv. Surat berharga

Nilai wajar untuk surat berharga yang dimiliki hingga jatuh tempo ditetapkan berdasarkan harga pasar atau harga kuotasi perantara (*broker*)/pedagang efek (*dealer*). Jika informasi ini tidak tersedia, nilai wajar diestimasi dengan menggunakan harga pasar kuotasi efek yang memiliki karakteristik kredit, jatuh tempo dan *yield* yang serupa. Surat berharga yang tersedia untuk dijual adalah surat berharga yang ditetapkan untuk dimiliki pada periode tertentu dimana akan dijual dalam rangka pemenuhan likuiditas atau perubahan suku bunga, valuta asing atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan atau piutang, aset keuangan yang diklasifikasikan dalam kelompok dimiliki hingga jatuh tempo atau aset keuangan yang diukur pada nilai wajar melalui laba rugi.

v. Pinjaman yang diterima

Dihitung berdasarkan diskonto arus kas sesuai dengan sisa periode jatuh temponya.

49. FINANCIAL ASSETS AND LIABILITES (continued)

ii. *Loans and sharia financing*

The Bank credit portfolio consists of loans with fixed interest rates. The loans are stated at carrying amounts. The fair value of the loans shows the estimated value of discounted future cash flows expected to be received by the Bank. Estimated cash flows are discounted using market interest rates to determine fair values.

iii. *Liabilities immediately payable, deposits from customers and deposits from other banks and other liabilities*

The estimated fair value of liabilities immediately payable, deposits with no specified maturity, including non-interest-bearing deposits represent payable amounts when the debt is paid.

The estimated fair value of deposits with fixed interest rates and other liabilities that do not have a quotation price in an active market is determined based on discounted cash flows using the interest rates of new debt with similar maturities. There is no practice to estimate the fair value of security deposits due to they have no certain settlement schedule, although is not expected to be settled within 12 months after the reporting date, the carrying amount of fixed rate deposits and other liabilities are reasonable estimates of fair value.

iv. *Marketable securities*

The fair value for marketable securities held to maturity is determined based on market prices or quotation prices of intermediaries (brokers)/securities dealers. If this information is not available, fair value is estimated using quotation market prices of securities with similar credit characteristics, maturities and yields. The Available for sale for marketable securities are intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, held to maturity or financial assets at fair value through profit or loss.

v. *Borrowings*

The calculation is based on the discounted cash flow corresponding to the remaining period to maturity.

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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 pensiun pekerja dan sisanya merupakan kontribusi Bank.

- i. Penilaian aktuaria atas beban pensiun per 31 Desember 2021 dan 2020 dilakukan oleh 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:

	<u>2021</u>	<u>2020</u>	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7,50%	7,20%	Discount rate
Tingkat kenaikan penghasilan dasar pensiun	0,00%	0,00%	Pension basic income growth
Tingkat bunga imbal hasil investasi aset	7,50%	7,20%	Investment yield of plan aset
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:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age 45 year old		18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

50. DEFINED EMPLOYEE BENEFIT LIABILITIES

Defined benefit pension plan

The Bank provides a Defined Benefit Pension Plan for all qualified employees in accordance with the Regulation of Pension Funds of "PT Dana Pensiun Bank Pembangunan Daerah Jawa Timur Tbk" (Dapen Bank Jatim).. Based on this program, the right of pension benefits is provided based on the requirements as set out in the regulation considering the annual service factors, past service and the Pension Fund's income. The Bank's pension funds program is managed by Dapen Bank Jatim. Pursuant to the terms provided the Bank Directors' Decision Letter, the employees' pension fund contribution is 5% of the pensionable basic income of employees and the remaining pension fund contributions are paid by the Bank.

- i. The actuarial valuation of pension expense as of December 31, 2021 and 2020 were made by PT Dian Artha Tama, an independent actuarial firm, based on their report dated March 2, 2021 and January 15, 2020 conform with the PSAK 24 (revised 2013) with use calculated method *Projected Unit Credit* also considers assumptions are as follows:

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

ii. Komposisi aset dana pensiun, terdiri dari:

	<u>2021</u>	<u>2020</u>	
Deposito berjangka	13,70%	13,70%	Time deposits
Obligasi korporasi	72,60%	72,60%	Corporate Bonds
Properti	7,00%	7,00%	Property
Lainnya	6,70%	6,70%	Others

iii. Perhitungan kewajiban program pensiun manfaat pasti yang diakui di dalam laporan posisi keuangan adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Nilai kini kewajiban	986.872	868.937	738.556	335.681	461.161	Present value of liabilities
Nilai wajar aset program	(763.453)	(662.634)	(533.439)	(429.961)	(510.349)	Fair value of assets program
Status pendanaan	223.419	206.303	205.117	(94.280)	(49.188)	Funded status
Perubahan dampak batas atas aset	-	-	-	(45.092)	7.806	Impact changes on assets upper threshold
Liabilitas (Aset) imbalan pasti - neto	<u>223.419</u>	<u>206.303</u>	<u>205.117</u>	<u>(139.372)</u>	<u>(41.382)</u>	Liabilities (Assets) defined benefit - net

iv. Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>	
Aset imbalan pasti neto awal tahun	206.303	205.117	Asset defined benefit net at beginning of year
Penyesuaian saldo awal	-	-	Beginning balance adjustment
Biaya imbalan pasti:			Expenses for the year:
Jumlah yang diakui dalam laba rugi	33.507	34.044	Amount recognized in the profit and losses
Pengukuran kembali liabilitas (aset) periode berjalan	(230)	(15.781)	Remeasurement of liabilities (assets) in the current year
Pembayaran iuran dari pendiri	(16.161)	(17.077)	Paid of contribution from employer
Liabilitas imbalan pasti neto	<u>223.419</u>	<u>206.303</u>	Liabilities defined benefit - net

v. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam laporan laba rugi adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>	
Biaya jasa kini	22.379	21.569	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	62.563	59.084	Interest cost
Pendapatan bunga dari aset	(47.710)	(42.675)	Interest income from assets
Bunga atas dampak batasan aset	-	-	Interest of the asset ceiling
Iuran peserta	(3.725)	(3.934)	Paid of contribution from employee
Biaya imbalan kerja yang diakui di laporan laba rugi	<u>33.507</u>	<u>34.044</u>	Recognized employee benefit cost on statement of profit or loss

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

vi. Mutasi atas nilai wajar aset program adalah sebagai berikut:

	<u>2021</u>
Saldo awal	662.634
Hasil pengembangan riil	47.710
Imbalan hasil atas aset program	72.742
Pembayaran iuran-iuran – pemberi kerja	12.309
Pembayaran iuran-iuran – peserta program	3.851
Pembayaran imbalan kerja	(39.520)
Saldo akhir	<u>759.726</u>

vii. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut:

	<u>2021</u>
Keuntungan (kerugian) aktuarial pada kewajiban	72.512
Keuntungan (kerugian) aktuarial pada aset	(72.742)
Perubahan pada dampak batasan aset tidak termasuk bunga	-
Biaya yang diakui di penghasilan komprehensif lain	<u>(230)</u>

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.

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (continued)

vi. The movement in the fair value of plan asset are as follows:

	<u>2021</u>	
	533.439	Beginning balance
	42.675	Actual investment result
	98.612	Return on plan assets
	17.077	Contribution paid – employer’s
	3.934	Contribution paid – employee plan
	(33.103)	Actual benefit paid
	<u>662.634</u>	Ending balance

vii. The calculation of defined benefit pension plan expenses recognized in the other comprehensive income are as follows:

	<u>2021</u>	
	82.830	Actuarial gain (losses) on obligation
	(98.611)	Actuarial gain (losses) on asset
	-	Amandement of impact on assets exclude interest
	<u>(15.781)</u>	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.

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Program pensiun manfaat pasti (lanjutan)

Defined benefit pension plan (continued)

- i. Penilaian aktuarial atas beban pensiun dihitung oleh Kantor Konsultan Aktuarial Agus Susanto dan PT Dian Artha Tama untuk tanggal valuasi per 31 Desember 2021 dan 2020. Penilaian aktuarial telah sesuai dengan PSAK 24 (revisi 2016) dengan menggunakan metode *Projected Unit Credit* serta mempertimbangkan asumsi-asumsi sebagai berikut:

- i. Actuarial valuation on pension expense is calculated by Agus Susanto's Actuarial Consultant Office and PT Dian Artha Tama for the valuation date as of December 31, 2021 and 2020. Actuarial valuation is in accordance with PSAK 24 (revised 2016) using the projected unit credit method and considering the following assumptions:

	<u>2021</u>	<u>2020</u>	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7,50%	7,20%	Discount rate
Tingkat kenaikan penghasilan dasar pensiun	0,00%	0,00%	Pension basic income growth
Tingkat bunga imbal hasil investasi aset	7,50%	7,20%	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:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age 45 years old		18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

- ii. Komposisi aset dana pensiun, terdiri dari:

- ii. Composition of pension fund assets, consisting of:

	<u>2021</u>	<u>2020</u>	
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:

	<u>2021</u>	<u>2020</u>	
Nilai kini kewajiban	198.552	202.233	Present value of liabilities
Nilai wajar aset program	(221.492)	(194.588)	Fair value of assets program
Defisit liabilitas	(22.940)	7.645	Loss of liabilities
Cadangan	(22.940)	7.645	Allowance

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

iv. Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:

	<u>2021</u>
Liabilitas (aset) imbalan pasti neto awal tahun	(7.645)
Biaya imbalan pasti: Jumlah yang diakui dalam laba rugi	(5.030)
Pengukuran kembali liabilitas (aset) periode berjalan	19.850
Pembayaran iuran dari pendiri	15.765
Liabilitas imbalan pasti neto	<u>22.940</u>

v. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam Laporan Laba Rugi adalah sebagai berikut:

	<u>2021</u>
Biaya jasa kini	4.480
Biaya jasa lalu - vested	-
Biaya jasa lalu - amandemen program	-
Keuntungan/kerugian atas penyelesaian	-
Bunga neto atas liabilitas (aset) imbalan: Biaya bunga	14.560
Pendapatan bunga dari aset	(14.010)
Bunga atas dampak batasan aset	-
Biaya imbalan kerja yang diakui di laporan laba rugi	<u>5.030</u>

vi. Mutasi atas nilai wajar aset program pensiun manfaat pasti adalah sebagai berikut:

	<u>2021</u>
Saldo awal	194.588
Hasil yang diharapkan dari aset	14.010
Pembayaran iuran-iuran – pemberi kerja	15.765
Pembayaran iuran-iuran – peserta program	-
Pembayaran imbalan kerja	(6.349)
Laba (rugi) aktuarial pada aset	3.478
Saldo akhir	<u>221.492</u>

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (continued)

iv. The mutations of the defined benefit pension plan obligations are as follows:

	<u>2020</u>	
	(87.723)	Liabilities (asset) defined benefit net at beginning of year
	(11.934)	Expenses for the year: Amount recognized in the profit and losses
	76.847	Remeasurement of liabilities (assets) in the current year
	15.165	Paid of contribution from employee
	<u>(7.645)</u>	Liabilities defined benefit - net

v. The calculation of the cost of a defined benefit pension plan recognized in the Income Statement is as follows:

	<u>2020</u>	
	4.916	Current service cost
	-	Past service cost - vested
	-	Past service cost - program amendment
	-	Gain/losses on settlement
	11.740	Net interest on liabilities (asset) defined: Interest cost
	(4.722)	Interest income from assets
	-	Interest of the asset ceiling
	<u>11.934</u>	Recognized employee benefit cost on statement of profit or loss

vi. The movement in the fair value of a defined benefit pension asset are as follows:

	<u>2020</u>	
	59.030	Beginning balance
	4.722	Results expected from assets
	15.165	Payment of contributions - employers
	-	Payment of contributions - program participants
	(45.597)	Payment of employee benefits
	161.268	Actuarial gain (loss) on assets
	<u>194.588</u>	Ending balance

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

vii. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut:

	<u>2021</u>
Keuntungan (kerugian) aktuarial pada kewajiban	(16.373)
Keuntungan aktuarial pada aset	(3.477)
Diakui di penghasilan komprehensif lain	(19.850)

viii. Pengukuran kembali atas liabilitas (aset) program pensiun manfaat pasti adalah sebagai berikut:

	<u>2021</u>
Saldo awal	(20.258)
(Keuntungan) kerugian aktuarial pada kewajiban	(16.373)
(Keuntungan) kerugian aktuarial pada aset	(3.477)
Perubahan pada dampak batasan aset tidak termasuk bunga	22.940
Jumlah pengukuran kembali atas aset imbalan pasti neto	(17.168)

Program pensiun iuran pasti

Bank juga memiliki program pensiun iuran pasti, untuk karyawannya. Bank mengikutsertakan pegawai tetap dalam program pensiun iuran pasti yang dikelola oleh Dana Pensiun Lembaga Keuangan PT Bank Rakyat Indonesia (Persero) Tbk.

Pegawai tetap yang bergabung dengan Bank setelah bulan April 2012, memiliki hak atas program pensiun iuran pasti atau manfaat yang disediakan sesuai dengan Undang-Undang Tenaga Kerja No.13/2003, mana yang lebih tinggi.

Pegawai tetap yang bergabung dengan Bank sebelum bulan April 2012, memiliki hak atas program pensiun manfaat pasti ditambah dengan program pensiun iuran pasti atau manfaat yang disediakan sesuai dengan Undang-Undang Tenaga Kerja No.13/2003, mana yang lebih tinggi.

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (continued)

vii. The calculation of the cost of a defined benefit pension plan recognized in other comprehensive income is as follows:

	<u>2020</u>	
	84.421	Actuarial gains (losses) on liabilities
	(161.268)	Actuarial gains on assets
	(76.847)	Recognised in other comprehensive income

viii. Measurement of return on liabilities (assets) defined benefit pension plans is as follows:

	<u>2020</u>	
	56.589	Beginning balance
	84.421	Actuarial (gains) losses on liabilities
	(161.268)	Actuarial (gains) losses on assets
	-	Changes to the impact of asset limits exclude interest
	(20.258)	Amount of re-measurement of net defined benefit assets

Defined contribution pension plan

Bank also has a defined contribution pension plan for its employees. The Bank has a participate permanent employee in defined contribution pension plan is managed by Dana Pensiun Lembaga Keuangan PT Bank Rakyat Indonesia (Persero) Tbk.

The permanent employees who joined the Bank after April 2012, are entitled to benefits under defined contribution plan or the benefits provided for under the Labour Law No.13/2003, whichever is higher.

The permanent employees who joined the Bank prior to April 2012, are entitled to benefits pension plan plus defined contribution pension plan, or the benefits provided for under the Labour Law No.13/2003, whichever is higher.

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun iuran pasti (lanjutan)

Pada tahun 2016, Bank melakukan evaluasi perhitungan program pensiun iuran pasti dimana imbalan pegawai dihitung sebesar selisih Undang-Undang Ketenagakerjaan No.13 tahun 2003 dan imbalan pensiun sesuai iuran Bank ke Dana Pensiun Lembaga Keuangan (DPLK), di luar uang penggantian imbalan yang berkaitan dengan cuti tahunan, ongkos pulang ketempat dimana pegawai diterima bekerja.

- i. Penilaian aktuaria atas program pensiun iuran pasti selisih dengan Undang-Undang Ketenagakerjaan No.13 tahun 2003 dan imbalan pensiun sesuai iuran Bank ke Dana Pensiun Lembaga Keuangan (DPLK) untuk tahun yang berakhir pada 31 Desember 2021 dan 2020, dilakukan oleh Kantor Konsultan Aktuaria Agus Susanto dan PT Dian Artha Tama dengan menggunakan metode *Projected Unit Credit* sebagaimana yang dijelaskan dalam laporan aktuaris pada tanggal 21 Januari 2022 dan 15 Januari 2020 yaitu sebagai berikut:

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	<u>2021</u>	<u>2020</u>	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7,50%	7,20%	Discount rate
Tingkat kenaikan gaji	5,00%	5,00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%	Investment yield of plan aset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971		Mortality table
Usia pensiun normal	58 tahun/years		Normal retirement age
Tingkat cacat	10% Mortalita		Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old		18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

- ii. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	<u>2021</u>	<u>2020</u>	
Biaya jasa kini	(36.598)	5.599	Current service cost
Biaya bunga neto	7.833	8.439	Interest cost net
Biaya yang dibebankan pada laporan laba rugi	(28.765)	14.038	Expense recognized in statement of profit or loss

- 50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)**
- Defined contribution pension plan (continued)**
- In year 2016, the Bank evaluates the calculation of defined contribution pension plan where the employees benefit is calculated as the difference between the Labour Law No.13/2003 and defined contribution pension based on contribution Bank to Dana Pensiun Lembaga Keuangan (DPLK), except replacement of annual leave rights, the cost of return to a place where an employee was hired.
- i. The actuarial calculations of difference defined contribution pension plan Labour Law No.13/2003 and defined contribution pension based on contribution Bank to Dana Pensiun Lembaga Keuangan (DPLK) for the year ended 31 Desember 2021 and 2020 were prepared by a registered actuarial consulting firm, Agus Susanto's Actuarial Consultant Office and PT Dian Artha Tama, using the "Projected Unit Credit" method as discussed an independent actuary report dated January January 21, 2022 and January 15, 2020, are as follows:

Key assumptions used in the actuarial calculation are as follows:

- ii. The employee benefit expenses recognized in profit or loss, are as follows:

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun iuran pasti (lanjutan)

- iii. Rekonsiliasi atas perubahan (aset) liabilitas imbalan pasca kerja selama tahun berjalan adalah sebagai berikut:

	<u>2021</u>
Saldo awal	108.797
Beban tahun berjalan	(28.765)
Pengukuran kembali imbalan kerja - neto	(20.998)
Pembayaran imbalan	(1.066)
Saldo akhir	<u>57.968</u>

- iv. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	<u>2021</u>
Saldo awal	108.797
Biaya jasa kini	7.833
Biaya bunga	2.379
Biaya jasa lalu	(38.977)
Pembayaran imbalan	(1.066)
Keuntungan (kerugian) aktuarial pada kewajiban	(20.998)
Saldo akhir	<u>57.968</u>

- v. Pengukuran kembali (aset) liabilitas imbalan kerja neto:

	<u>2021</u>
Saldo pada awal tahun	80.184
Keuntungan (kerugian) aktuarial pada kewajiban	(20.998)
Saldo akhir	<u>59.186</u>

Liabilitas atas imbalan pasca kerja lainnya adalah program asuransi tunjangan hari tua yang telah dikelola oleh PT Asuransi Jiwasraya (Persero), dan program uang duka sebagai jasa pengabdian.

Imbalan jangka panjang lainnya adalah program penghargaan masa kerja. Imbalan tersebut diberikan kepada pegawai tetap yang jumlahnya sebesar 2 (dua) sampai dengan 4 (empat) kali penghasilan terakhir dengan masa kerja 15 tahun, 25 tahun dan 30 tahun.

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.

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined contribution pension plan (continued)

- iii. Following are the reconciliation of the movements of employee benefit (assets) liabilities during the years:

	<u>2020</u>	
	105.492	Beginning balance
	14.038	Current service cost
	(2.711)	Interest cost
	(8.022)	Actual benefit paid
	<u>108.797</u>	Ending balance

- iv. The movements in the present value of employee benefit are as follows:

	<u>2020</u>	
	105.492	Beginning balance
	8.439	Current service cost
	5.599	Interest cost
	-	Past service cost
	(8.022)	Actual benefit paid
	(2.711)	Actuarial gain (losses) on obligation
	<u>108.797</u>	Ending balance

- v. Remeasurement of net employee benefit (asset) liabilities:

	<u>2020</u>	
	82.895	Balance at beginning of year
	(2.711)	Actuarial gain (losses) on obligation
	<u>80.184</u>	Ending balance

The liability for post employee benefits consisted of mutual aid pension insurance plan is managed by PT Asuransi Jiwasraya (Persero), and employee death benefits program as service devotion.

Other long-term employee benefits is gratuity for service program. The benefits is granted to employees at amount of 2 (two) until 4 (four) last of salary with working service periods of 15 years, 25 years and 30 years.

Bank provides employee death benefit to employees who have passed away at fixed amount plus 1 (one) month salary of his/her last month plus 1 (one) month salary of the following month from his/her death as his/her service devotion. This program is self-managed by the Bank.

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun iuran pasti (lanjutan)

Penilaian aktuarial atas uang duka jasa pengabdian dan penghargaan masa kerja untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020, dihitung oleh Kantor Konsultan Aktuarial Agus Susanto dan PT Dian Artha Tama dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 21 Januari 2022 dan 15 Januari 2020.

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	<u>2021</u>	<u>2020</u>
Asumsi ekonomi		
Tingkat diskonto	7,50%	7,20%
Tingkat kenaikan gaji	5,00%	5,00%
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%
Asumsi lainnya		
Tingkat mortalita	GAM-1971	GAM-1971
Usia pensiun normal	58 tahun/years	58 tahun/years
Tingkat cacat	10% Mortalita	10% Mortalita
Tingkat pengunduran diri untuk usia:		
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age years old	
Usia 46-55 tahun	5% per tahun/per year	

i. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	<u>2021</u>		<u>2020</u>	
	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>
Biaya jasa kini	664	5.604	181	3.999
Biaya bunga neto	116	2.064	112	1.882
Rugi aktuarial	-	7.863	-	4.650
Biaya yang dibebankan pada laporan laba rugi	780	15.531	293	10.531

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined contribution pension plan (continued)

The actuarial valuation of employee death benefit program and gratuity for service program for the year ended December 31, 2021 and 2020, were performed by Agus Susanto's Actuarial Consultant Office and PT Dian Artha Tama, using the "Projected Unit Credit" method as stated in its report dated January 21, 2022 and January 15, 2020.

Key assumptions used in the actuarial calculation are as follows:

	<u>2021</u>	<u>2020</u>
Economic assumptions		
Discount rate	7,50%	7,20%
Annual salary growth rate	5,00%	5,00%
Investment yield of plan asset	0,00%	0,00%
Other assumptions		
Mortality table	GAM-1971	GAM-1971
Normal retirement age	58 tahun/years	58 tahun/years
Disability rate	10% Mortalita	10% Mortalita
Retirement rate per year for ages:		
18-45 years old	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age years old	
46-55 years old	5% per tahun/per year	

i. The employee benefit expenses recognized in profit or loss, are as follows:

Current service cost
Oterest cost net
Actuarial loss
Expenses recognized in
statement of profit or loss

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun iuran pasti (lanjutan)

- ii. Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:

	2021		2020		
	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	
Saldo awal	(1.616)	(28.673)	(1.402)	(23.527)	Beginning balance
Beban tahun berjalan	(781)	(15.531)	(293)	(10.531)	Current year expenses
Pengukuran kembali imbalan kerja - neto	(4)	-	(50)	-	Remeasurement of employee benefits - net
Pembayaran imbalan kerja	237	2.821	129	5.385	Actual benefit paid
Liabilitas imbalan pasti neto	(2.164)	(41.383)	(1.616)	(28.673)	Liabilities defined benefit - net

- iii. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	2021		2020		
	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	
Saldo awal	(1.616)	(28.673)	(1.402)	(23.527)	Beginning balance
Biaya jasa kini	(116)	(2.064)	(112)	(1.883)	Current service cost
Biaya bunga	(235)	(5.604)	(181)	(3.999)	Interest cost net
Biaya jasa lalu	(429)	-	-	-	Past service cost
Pembayaran imbalan	236	2.821	129	5.385	Actual benefit paid
Kerugian aktuarial pada kewajiban	(4)	(7.863)	(50)	(4.649)	Actuarial losses on obligation
Liabilitas imbalan pasti neto	(2.164)	(41.383)	(1.616)	(28.673)	Liabilities defined benefit - net

- iv. Pengukuran kembali liabilitas imbalan kerja neto:

	2021		2020		
	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	
Saldo pada awal tahun	525	-	475	-	Balance at beginning of year
Kerugian aktuarial pada kewajiban	4	-	50	-	Actuarial losses on obligation
Pendapatan komprehensif lain	529	-	525	-	Other comprehensive income

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined contribution pension plan (continued)

- ii. Following are the reconciliation of the movements of employee benefit liabilities during the years:

	2021		2020		
	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	
Saldo awal	(1.616)	(28.673)	(1.402)	(23.527)	Beginning balance
Beban tahun berjalan	(781)	(15.531)	(293)	(10.531)	Current year expenses
Pengukuran kembali imbalan kerja - neto	(4)	-	(50)	-	Remeasurement of employee benefits - net
Pembayaran imbalan kerja	237	2.821	129	5.385	Actual benefit paid
Liabilitas imbalan pasti neto	(2.164)	(41.383)	(1.616)	(28.673)	Liabilities defined benefit - net

- iii. The movements in the present value of employee benefit are as follows:

	2021		2020		
	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	
Saldo awal	(1.616)	(28.673)	(1.402)	(23.527)	Beginning balance
Biaya jasa kini	(116)	(2.064)	(112)	(1.883)	Current service cost
Biaya bunga	(235)	(5.604)	(181)	(3.999)	Interest cost net
Biaya jasa lalu	(429)	-	-	-	Past service cost
Pembayaran imbalan	236	2.821	129	5.385	Actual benefit paid
Kerugian aktuarial pada kewajiban	(4)	(7.863)	(50)	(4.649)	Actuarial losses on obligation
Liabilitas imbalan pasti neto	(2.164)	(41.383)	(1.616)	(28.673)	Liabilities defined benefit - net

- i. Remeasurement of net employee benefit liabilities:

	2021		2020		
	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	Uang duka sebagai jasa pengabdian/ <i>Death benefit as employee service devotion</i>	Program penghargaan masa kerja/ <i>Gratuity for service program</i>	
Saldo pada awal tahun	525	-	475	-	Balance at beginning of year
Kerugian aktuarial pada kewajiban	4	-	50	-	Actuarial losses on obligation
Pendapatan komprehensif lain	529	-	525	-	Other comprehensive income

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50. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

50. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Program pensiun iuran pasti (lanjutan)

Defined contribution pension plan (continued)

i. Penghargaan purna tugas

i. After duty award

	<u>2021</u>	
Asumsi ekonomi		<i>Economic assumptions</i>
Tingkat diskonto	7,60%	<i>Discount rate</i>
Tingkat kenaikan gaji	5,00%	<i>Annual salary growth rate</i>
Tingkat bunga imbal hasil investasi aset	0,00%	<i>Investment yield of plan aset</i>
Asumsi lainnya		<i>Other assumptions</i>
Tingkat mortalita	GAM-1971	<i>Mortality table</i>
Usia pensiun normal	58 tahun/years	<i>Normal retirement age</i>
Tingkat cacat	10% Mortalita	<i>Disability rate</i>
Tingkat pengunduran diri untuk usia:		<i>Retirement rate per year for ages:</i>
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	<i>18-45 years old</i>
Usia 46-55 tahun	5% per tahun/per year	<i>46-55 years old</i>

ii. Penghargaan purna tugas

ii. After duty award

	<u>2021</u>	
Biaya jasa kini	15.832	<i>Current service cost</i>
Biaya bunga neto	-	<i>Interest cost net</i>
Biaya yang dibebankan pada laporan laba rugi	<u><u>15.832</u></u>	<i>Expense recognized in statement of profit or loss</i>

iii. Penghargaan purna tugas

iii. After duty award

	<u>2021</u>	
Saldo awal	-	<i>Beginning balance</i>
Beban tahun berjalan	15.832	<i>Current service cost</i>
Saldo akhir	<u><u>15.832</u></u>	<i>Ending balance</i>

iv. Penghargaan purna tugas

iv. After duty award

	<u>2021</u>	
Saldo awal	-	<i>Beginning balance</i>
Biaya jasa kini	3.833	<i>Current service cost</i>
Biaya jasa lalu	11.999	<i>Past service cost</i>
Saldo akhir	<u><u>15.832</u></u>	<i>Ending balance</i>

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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 untuk per nasabah per bank. Simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau di bawah 3,50% dan 0,25% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2021 dan sama dengan atau di bawah 4,50% dan 1,00% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2020.

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 2021 dan 2020, masing-masing sebesar Rp164.449 dan Rp133.284.

**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 per depositor per bank. Customer deposits are covered only if the rate of interest is equal to or below 3.50% and 0.25% in Rupiah and foreign currency as of December 31, 2021 and equal to or below 4.50% and 1.00% in Rupiah and foreign currency as of December 31, 2020.

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, 2021 and 2020, amounted to Rp164,449 and Rp133,284 respectively.

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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:

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:

	2021						Total/ Total	
	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		
ASET								ASSETS
Kas	-	2.023.077	-	-	-	-	2.023.077	Cash
Giro pada Bank Indonesia	-	1.781.878	-	-	-	7.023.422	8.805.300	Current accounts with Bank Indonesia
Giro pada bank lain	-	211.443	-	-	-	-	211.443	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	-	9.313.828	290.619	252.644	39.861	18.980	9.915.932	Placement with Bank Indonesia and other banks
Surat berharga	-	-	-	-	-	-	-	Marketable securities
Biaya perolehan diamortisasi	-	3.404.795	2.618.064	1.668.261	911.035	12.226.108	20.828.263	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	-	10.536.388	1.018.372	-	-	-	11.554.760	fair value through other comprehensive income
Surat berharga Repo	-	-	-	-	-	-	-	Repo marketable securities
Tagihan reverse repo	-	3.420.685	-	-	-	-	3.420.685	Reverse repo receivables
Tagihan lainnya	-	230.019	-	-	-	-	230.019	Other receivables
Kredit yang diberikan dan pembiayaan syariah	-	274.918	682.573	1.671.580	2.254.216	37.866.272	42.749.559	Loans and sharia financing
Pendapatan bunga yang masih akan diterima	-	2.628	11.869	17.399	17.953	744.051	793.900	interest income that will still be received
Beban dibayar dimuka	134.200	-	-	-	-	-	134.200	Prepaid expense
Aset tetap - neto	1.144.211	-	-	-	-	-	1.144.211	Fixed assets - net
Aset pajak tangguhan - neto	-	-	-	-	-	627.211	627.211	Deferred tax assets - net
Aset lain-lain	115.775	-	-	-	-	-	115.775	Other assets
Jumlah	1.394.186	31.199.659	4.621.497	3.609.884	3.223.065	58.506.044	102.554.335	Total
LIABILITAS								LIABILITIES
Liabilitas segera	-	593.875	-	-	-	-	593.875	liability immediately
Simpanan dari nasabah	-	12.511.223	19.267.011	4.511.689	3.899.151	43.012.793	83.201.867	Deposits from customer
Simpanan dari bank lain	-	4.043.920	142.920	60	1.000	-	4.187.900	Deposits from other banks
Pinjaman yang diterima	-	257.993	-	7.410	-	389.885	655.288	Borrowings
Utang pajak	165.476	-	-	-	-	-	165.476	Taxes payables
Beban yang masih harus dibayar	-	478.647	-	-	-	-	478.647	Accrued expense
Liabilitas lain-lain	-	529.738	-	-	-	-	529.738	Other liabilities
Jumlah	165.476	18.415.396	19.409.931	4.519.159	3.900.151	43.402.678	89.812.791	Total
Perbedaan jatuh tempo	1.228.710	12.784.263	(14.788.434)	(909.275)	(677.086)	15.103.366	12.741.544	Maturity Gap

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52. PELAPORAN JATUH TEMPO (lanjutan)

52. MATURITY PROFILE (continued)

	2020						Total/ Total	
	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		
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	fair value through other comprehensive income
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 income that will still be received
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
Jumlah	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	liability 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
Jumlah	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

b. Rasio aset produktif yang diklasifikasikan terhadap jumlah aset produktif pada tanggal 31 Desember 2021 dan 2020, masing-masing adalah sebesar 3,39% dan 3,48%.

b. The ratio of classified earning assets to total productive assets as of December 31, 2021 and 2020 is 3.39% and 3.48% respectively.

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53. INFORMASI KEUANGAN UNIT USAHA SYARIAH

53. SHARIA UNIT FINANCIAL INFORMATION

	<u>2021</u>	<u>2020</u>
ASET		
Kas	23.530	21.518
Penempatan pada Bank Indonesia dan bank lain	1.259.529	462.350
Surat berharga	834.752	983.599
Piutang:		
- Murabahah	864.013	796.351
- Qardh	24.972	24.589
Dikurangi: cadangan kerugian penurunan nilai	(55.969)	(25.605)
Piutang, neto	833.016	795.335
Pembiayaan:		
- Musyarakah	689.141	653.189
- Mudharabah	184.224	132.951
Dikurangi: cadangan kerugian penurunan nilai	(27.460)	(23.239)
Pembiayaan, neto	845.905	762.901
Aset ijarah	12	279
Aset tetap	54.367	55.817
Dikurangi: Akumulasi penyusutan	(24.031)	(22.094)
Nilai buku neto	30.336	33.723
Aset lain-lain	9.715	9.353
JUMLAH ASET	3.836.795	3.069.058
LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS		
LIABILITAS		
Giro wadiah	110.616	152.174
Tabungan wadiah	-	-
Liabilitas segera	854.640	359.934
Liabilitas lainnya	1.044.008	830.874
JUMLAH LIABILITAS	2.009.264	1.342.982
INVESTASI TIDAK TERIKAT		
Giro mudharabah	2.920	-
Tabungan mudharabah	572.158	551.210
Deposito berjangka mudharabah	1.238.104	1.163.662
JUMLAH INVESTASI TIDAK TERIKAT	1.813.182	1.714.872
Laba Tahun Lalu	-	-
Laba neto	14.349	11.204
JUMLAH LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS	3.836.795	3.069.058

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	23.530	21.518
Placements with Bank Indonesia and other banks	1.259.529	462.350
Marketable securities	834.752	983.599
Receivables:		
Murabahah -	864.013	796.351
Qardh -	24.972	24.589
Less: Allowance for impairment losses	(55.969)	(25.605)
Receivables, net	833.016	795.335
Financing:		
Musyarakah -	689.141	653.189
Mudharabah -	184.224	132.951
Less: Allowance for impairment losses	(27.460)	(23.239)
Financing, net	845.905	762.901
Ijarah assets	12	279
Fixed assets	54.367	55.817
Less: Accumulated depreciation	(24.031)	(22.094)
Net book value	30.336	33.723
Other assets	9.715	9.353
TOTAL ASSETS	3.836.795	3.069.058
LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY		
LIABILITIES		
Wadiah current accounts	110.616	152.174
Wadiah savings	-	-
Obligations due immediately	854.640	359.934
Other liabilities	1.044.008	830.874
TOTAL LIABILITIES	2.009.264	1.342.982
UNCOMMITTED INVESTMENT		
Mudharabah current account	2.920	-
Mudharabah savings	572.158	551.210
Mudharabah time deposits	1.238.104	1.163.662
TOTAL UNCOMMITTED INVESTMENT	1.813.182	1.714.872
Net income	-	-
TOTAL LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY	3.836.795	3.069.058

	<u>2021</u>	<u>2020</u>
LAPORAN LABA RUGI		
Pendapatan operasional		
- Margin	14.829	63.006
- Bagi hasil	18.488	70.821
- Sewa	12	198
- Operasional Lainnya	14.500	62.104
Pendapatan operasional	47.829	196.129
Beban bagi hasil untuk investor dana investasi tidak terikat		
- Bank	(453)	(1.098)
- Bukan bank	(18.341)	(59.736)
Bagi hasil	(18.794)	(60.834)
Beban operasional lainnya		
- Bonus	(52)	(527)
- Penyisihan kerugian penurunan nilai	(11.960)	(28.312)
- Beban administrasi dan umum	(8.737)	(39.224)
- Beban personalia	(9.614)	(48.023)
- Beban lainnya	(1.644)	(8.304)
	(32.007)	(124.390)
Pendapatan operasional bersih	(2.972)	10.905
Pendapatan non operasional bersih	247	299
Laba tahun berjalan	(2.725)	11.204

	<u>2021</u>	<u>2020</u>
STATEMENTS OF PROFIT OR LOSS		
Operating income		
Margin -	14.829	63.006
Profit sharing -	18.488	70.821
Rents -	12	198
Other operating -	14.500	62.104
Operating income	47.829	196.129
Profit sharing expenses to non-restricted investors fund		
Bank -	(453)	(1.098)
Non bank -	(18.341)	(59.736)
Profit sharing	(18.794)	(60.834)
Other operating expenses		
Bonuses -	(52)	(527)
Allowance for impairment losses -	(11.960)	(28.312)
General and administrative expenses -	(8.737)	(39.224)
Personnel expenses -	(9.614)	(48.023)
Others -	(1.644)	(8.304)
	(32.007)	(124.390)
Net operating income	(2.972)	10.905
Non-operating income - net	247	299
Profit during the year	(2.725)	11.204

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54. INFORMASI TAMBAHAN ARUS KAS

Rekonsiliasi Liabilitas yang Timbul dari Aktivitas Pendanaan.

	2020	Arus kas/ Cash flows
Pinjaman yang diterima	631.355	23.933
Liabilitas sewa	111.860	-
Total	743.215	23.933
	2019	Arus kas/ Cash flows
Pinjaman yang diterima	1.870.246	(1.238.891)
Liabilitas sewa	-	(886)
Total	1.870.246	(1.239.777)

55. ASET/LIABILITAS KONTINJENSI

Bank saat ini mempunyai aset/liabilitas kontinjensi yang signifikan terkait dengan beberapa perkara perdata sebagai berikut:

- Perkara perdata No.584/Pdt.G/2007/Pn.Sby tanggal 21 November 2007 tentang gugatan PT Hikmah Surya Jaya kepada Bank untuk memenuhi ganti rugi materiil atas kredit dana bergulir sebesar Rp3.000. Pengadilan Negeri (PN) dan Pengadilan Tinggi (PT) memutuskan pihak Bank menang. Bank telah mengirimkan surat No.057/0865/HKM/LIT/LEGAL/SRT tanggal 3 Juli 2018 dan diterima PN tanggal 6 Juli 2018. Masih menunggu jawaban surat dari PN untuk kepastian inkrah putusan Pengadilan Tinggi tersebut.
- 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 Rp4.032, Penggugat mengajukan gugatan untuk memberhentikan proses lelang. Saat ini dalam proses persidangan Kasasi di Mahkamah Agung.
- 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.
- 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 Kasasi di Mahkamah Agung Republik Indonesia.
- Perkara perdata lainnya dengan nilai gugatan masing-masing dibawah Rp3.000 sejumlah Rp20.333.

Manajemen Bank berkeyakinan bahwa penyelesaian kasus-skasus tersebut tidak mengganggu kinerja Bank.

54. SUPPLEMENTARY CASH FLOW INFORMATION

Reconciliation of Liability Arising from Financing Activities

	Lain-lain/ Others	2021	
	-	655.288	Borrowing
	(57.689)	54.171	Lease liability
Total	(57.689)	709.459	Total
	Lain-lain/ Others	2020	
	-	631.355	Borrowing
	112.746	111.860	Lease liability
Total	112.746	743.215	Total

55. CONTINGENT ASSETS/LIABILITIES

The Bank currently has significant contingent assets/liabilities in connection with several civil cases as follows:

- Case No.584/Pdt.G/2007/Pn.Sby dated November 21, 2007 about the lawsuit of PT Hikmah Surya Jaya towards Bank, demanding compensation to the amount of Rp3,000 regarding revolving credit. The District Court's and the 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 inkrah decision of the High Court.
- 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 Rp4,032, Plaintiff filed a lawsuit to dismiss the auction process. Currently in the Cassation trial process at The Supreme Court.
- Bankruptcy Case No. 40/Pdt.Sus/PKPU/2019/PN.Niaga.Sby with the pleader PT Fatma Lestari Abadi Mix and CV. Azka Pelangi Bersaudara towards PT Citra Gading Asritama. Bank as a creditor submits a bill to the Curator for the credit of PT Citra Gading Asritama (in bankruptcy) of Rp31,103 currently in the process of creditor file verification at the Surabaya Commercial Court at the Surabaya District Court.
- 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 Supreme Court.
- Other civil cases with a value of each lawsuit demands under Rp3,000 amount to Rp20,333.

The Bank's management believes that the above cases doesn't interfere to the Bank performances.

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56. BANK KUSTODIAN

Jasa Kustodian Bank mendapatkan ijin operasi oleh OJK berdasarkan surat OJK nomor: S-4/PM.2/2019 tanggal 29 Januari 2019. Bank Kustodian merupakan bagian dari Divisi Dana Jasa, Sub Divisi *Priority Banking & Kustodian*, adapun jasa-jasa yang diberikan diantaranya:

1. Penyimpanan (*safekeeping*) dan administrasi atas Efek-efek maupun dokumen berharga lainnya;
2. Penyelesaian transaksi jual dan beli Efek berbentuk warkat (*script*) maupun tanpa warkat (*scriptless*);
3. Pengurusan hak-hak nasabah atas kepemilikan efek-efek yang disimpan sehingga hak tersebut efektif di rekening nasabah (*corporate action*);
4. Perwakilan (*proxy*) pada Rapat Umum Pemegang Saham dan Rapat Umum Pemegang Obligasi;
5. *Sub-Registry* untuk melayani investor yang melakukan transaksi dan investasi Efek; dan
6. Penyampaian laporan (*reporting*) dan informasi (*information*) yang terkait dengan Efek-efek dan/atau dokumen berharga milik nasabah yang disimpan dan diadministrasikan oleh Bank Jatim Kustodian.

57. PERISTIWA SETELAH PERIODE PELAPORAN

a. Pengunduran diri Direksi

Rapat Dewan Komisaris PT Bank Pembangunan Daerah Jawa Timur Tbk pada hari Senin tanggal 17 Januari 2022 menerima surat pengunduran diri Direktur Keuangan atas nama Ferdian Timur Satyagraha No.061/012/DIR/CSE/SRT tanggal 17 Januari 2022.

Dan berdasarkan Surat Keputusan Dewan Komisaris No.061/01/DKM/KEP tanggal 19 Januari 2022 menunjuk Rizyana Mirda sebagai Pgs. Direktur Keuangan efektif per tanggal 19 Januari 2022.

b. 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.

56. BANK CUSTODY

Bank Custodian Services has obtained an operating license based on the letter of OJK number: S-4/PM.2/2019 date Januari 29, 2019. Bank's Custodian, which is part of the Service and Fund Divisions, Priority Banking & Custodian Sub-Divisions, provides a full range of custodian services such as:

1. *Safekeeping and administration of marketable securities and other valuable assets;*
2. *Settlement and handling services for script and scriptless trading transactions;*
3. *Corporate action services related to the rights of the marketable securities;*
4. *Proxy services for its customers' shareholder meetings and bond holder meetings;*
5. *Sub-Registry service provider for securities settlement and investment; and*
6. *Generate reports and information regarding customers' marketable securities which are kept and administered by Bank Jatim's Custodian Unit.*

57. SUBSEQUENT EVENTS

a. *Resignation of Directors*

The Board of Commissioners meeting of PT Bank Pembangunan Daerah Jawa Timur Tbk on Monday January 17, 2022 received the resignation letter from the Director of Finance on behalf of Ferdian Timur Satyagraha No.061/012/DIR/CSE/SRT dated January 17, 2022.

And based on the Decree of the Board of Commissioners No.061/01/DKM/KEP dated January 19, 2022, he appointed Rizyana Mirda as a temporary replacement for the Director of Finance effective January 19, 2022.

b. *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.

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**57. PERISTIWA SETELAH PERIODE PELAPORAN
(lanjutan)**

b. Perkembangan kondisi ekonomi di Indonesia
(lanjutan)

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 di luar 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 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.

58. PENYELESAIAN LAPORAN KEUANGAN

Laporan keuangan telah diselesaikan dan disetujui untuk diterbitkan oleh Direksi Bank pada tanggal 31 Januari 2022.

57. SUBSEQUENT EVENTS (continued)

b. *Indonesia's economic condition (continued)*

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 economic 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 determined. Such effects will be reported in the financial statements when they are known and can be estimated.

58. COMPLETION OF THE FINANCIAL STATEMENTS

The financial statements were completed and authorized for issuance by the Bank's Directors on January 31, 2022.

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Annual Report



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