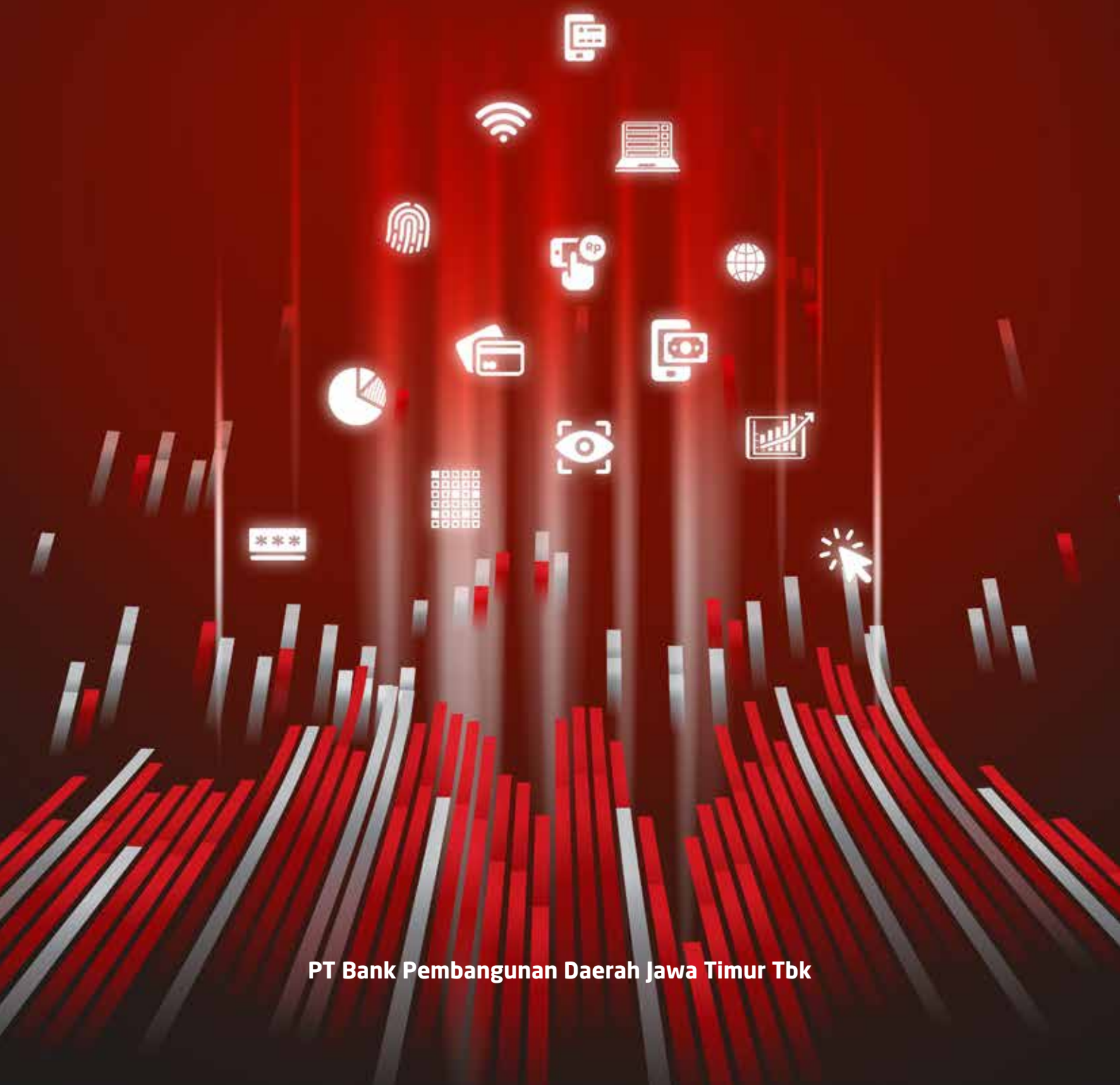




2022 Annual Report

Modernizing The Service to Increase Business Growth



PT Bank Pembangunan Daerah Jawa Timur Tbk

Modernizing The Service to Increase Business Growth

Annual Report **2022**



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

Theme

Continuity



2021

Consistent Business Development through Synergy and Digital Connectivity

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

JConnect was also able to increase the effectiveness of Bank Jatim's synergy with various partners through 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.



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.



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.



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.



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.



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.

Table of Contents

■ 1	■ 4	■ 10
Theme Explanation	Table of Contents	Milestones
■ 2	■ 8	
Theme Continuity	Overview of The Company	

■ 12	
Performance Highlights	
Important Achievements 2022	14
Summary of Financial Overview	16
Financial Summary and Financial Ratios	16
Operations Highlights	20
Stock Information	21
Corporate Actions	23
Termination Action While Trading of Stock (Suspension) and/or Removing of Stock (Delisting)	23
Bond, Sukuk and/or Convertible Bonds Information	23
Other Funding Sources Information	23
Company Analysis Report	24
Important Events in 2022	24

■ 28	
Report of Directors and Board of Commissioners	
Board of Directors' Report	30
Board of Commissioners' Report	46
Responsibility of 2022 Annual Report	54

Performance Highlights

12

Report of Directors and Board of Commissioners

28

■ 56	
Company Profile	
Corporate Identity	58
Name and Address of Branch Office and Sharia Branch Office	59
Company Brand	61
Company Brief History	62
Description of Name Change	63
Vision, Mission & Corporate Culture	64
Vision	64
Mission	65
Review of The Vision and Mission by The Board of Commissioners and The Board of Directors	64
Corporate Culture	66
Business Activities	69
Business Activities According to the Articles of Association and Executed	69
Products and Services	70
Operating Area	82
Organizational Structure	84
Profile of The Board of Directors	86
Profile of The Board of Commissioners	97
Profile of The Board of Sharia Supervisory	103
Profile of Division Head (Executive Officer)	106
Employee Profile	116
Number of Employees by Gender	116
Number of Employees by Position Level	116
Number of Employees by Range of Age	117
Number of Employees by Education Level	117
Number of Employees by Employment Status	117



Shareholders Composition	118
Composition of 20 Largest Shareholders	119
Composition of Shareholders 5% or More	120
Composition of Public Shareholders Less than 5%	121
Share Ownership Directors and Board of Commissioners	122
Classification of Shareholders	123
Main and Controlling Shareholders	123
List of Subsidiaries, Associated Entities and Joint Venture Company	123
Company Group Structure	124
Association Membership List	124
Chronology of Share Issuance	125
Chronology of Issuance and/or Listing of Bond	126
Chronology of Issuance and/or Listing of Other Securities	126
Information on Using the Services of Public Accounting and Public Accounting Firm	127
Supporting Institutions and/or Professions	127
Award and Certification	129
Information Available on the Website	135

Company Profile

56

Management Discussion and Analysis of Bank Performance

00

136

Management Discussion and Analysis of Bank Performance

Economic Review	138
Global Economic Analysis	138
National Economic Analysis	139
Banking Industry Analysis	140
Bank Jatim's Position in the Banking Industry Analysis	141
Operational Review	142
Bank Strategy	142
Marketing Aspect	143
Marketing Strategy in 2022	143
Market Share	143
Operation Review per Business Segment	146
Operating Segment	147
Geographic Segment	174
Financial Review	176
Financial Performance	176
Financial Position Report	176
Statement of Profit and Loss and Other Comprehensive Income	191
Cash Flow Report	198
Ability to Pay Debt and Receivable Collectibility	201
Fund Interest Rate	204
Prime Lending Rate	207
Quality Analysis of Productive Assets	208
Bank Capital Structure	214
Information on Capital and Risk Exposure	216
Material Commitments Related to Capital Goods Investment	230
Capital Expenditure Investment	230
Commitment and Contingent	231

Information and Material Facts After the Accountant's Report Date	232
Business Prospects and Future Strategies in 2023	232
Achievement of Targets and Future Targets	234
Policy, Announcement and Payment of Dividend	238
Realization of the use of Public Offering Funds	239
Material Information Regarding Investment, Expansion, Divestment, Business Merger/ Consolidation, Acquisition, Debt/Capital Restruct	239
Information on Material Transactions that Contain Conflict of Interest and/or Transactions with Affiliated Parties	239
Changes in Legal Regulations and its Impact on Banks	242
Changes in Accounting Policies	244
Bank Soundness Level	244
Business Continuity Information	245
Taxation Aspects	245
Response to Changes in Monetary Policy Directions	246
Maximum Limit for Lending and Large Provision of Funds	246
Spot and Derivative Transactions	249

250

Human Capital

Human Capital Management Strategy	252
Human Capital Management Strategy Policy and Implementation	253
Recruitment	253
Competency Development	253
Career Development	256
Performance Assessment	257
Remuneration	258
Pension Program	259
Employee Engagement Survey	260
Human Capital Information System	261
Culture Internalization	262
Human Capital Management Structure	263
Human Capital Work Plan 2023	264

Human Capital

250

Information Technology

266

266

Information Technology

Information Technology Strategy	268
Information Technology Innovation	271
Information Technology Infrastructure	273
Information Technology Governance	274
Information Technology Management Structure	279
Information Technology Work Plan 2023	281

282

Corporate Governance

Basic For Corporate Governance Implementation	284
Structure and Mechanism of Corporate Governance	285
Structure of Company Organs	285
Governance Soft Stucture	286
Corporate Governance Mechanism	287
Shareholders	287
General Meeting of Shareholders	287
Board of Directors	295
Board of Commissioners	308
Sharia Supervisory Board	335
Nomination and Remuneration of the Board of Commissioners and Board of Directors	338
Policies on Diversity of Board of Commissioners and Board of Directors	340
Transparency of Share Ownership of Directors and Board of Commissioners	343
Organs and Committees Under the Board of Commissioners	344
Organ and Committee Under the Board of Directors	368
Implementation of Governance in Provision of Remuneration for Commercial Banks in Accordance with POJK 45/POJK.03/2015	402
Public Accountant	405
Internal Control System	406
Risk Management	410
Compliance Function	418

Anti Money Laundering and Counter-Terrorism Financing (AML-CFT) Program	420
Lawsuit	420
Administrative Sanctions Imposed to Companies, Members of the Board of Commissioners and the Board of Directors by Capital Market Authorities and Other Authorities	422
Access to Company Information and Data	422
Code of Conduct	427
Performance-Based Long-Term Compensation Policy	434
Whistleblowing System	435
Anti Corruption Program	437
Total Internal Frauds and Remedies	440
Provision of Funding for Social and/or Political Activities	441
Provision of Funds to Related Parties and Provision of Large Funds	441
Bank Strategic Plan	441
Share Buyback and Bond Buyback	441
Internal Disputes	441
Prevention of Insider Trading	441
Transparency of Financial and Non-Financial Conditions	441
Implementation of Public Company Governance Guidelines	442

Governance Principles for Banks Issued by the Basel Committee in Banking Supervision	450
Good Corporate Governance Assessment	452
Bad Corporate Governance Practices	453

Corporate Governance

282

Corporate Social Responsibility

454

456

Corporate Social Responsibility

457

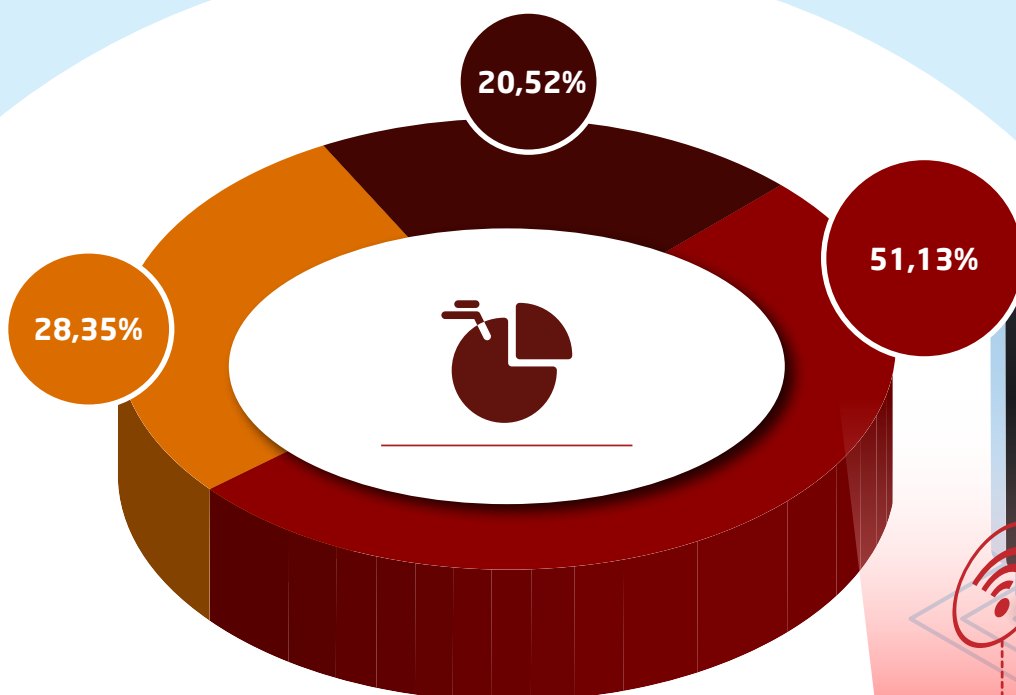
OJK and SK-16 Reference Index

480

Financial Statements



Overview of The Company



Share Ownership

- Government of East Java Province
- 38 District/City Government
- Public

Products and Services



Deposit
Products



Consumer
Loan



Medium
and Corporate Loan



Total Assets
IDR 103,03
Trillion

bankjatim

HEAD OFFICE ADDRESS

JALAN BASUKI RACHMAD 98 – 104, SURABAYA 60271



Established Date
August 17, 1961



Business Fields
Finance



Number of Office
1 Head Office &
1.783 Office Network



Number of Employees
4.368 Employees



**Treasury
Products**



**Business
Services**



**Institutional
Services**



**Sharia
Financing Products**

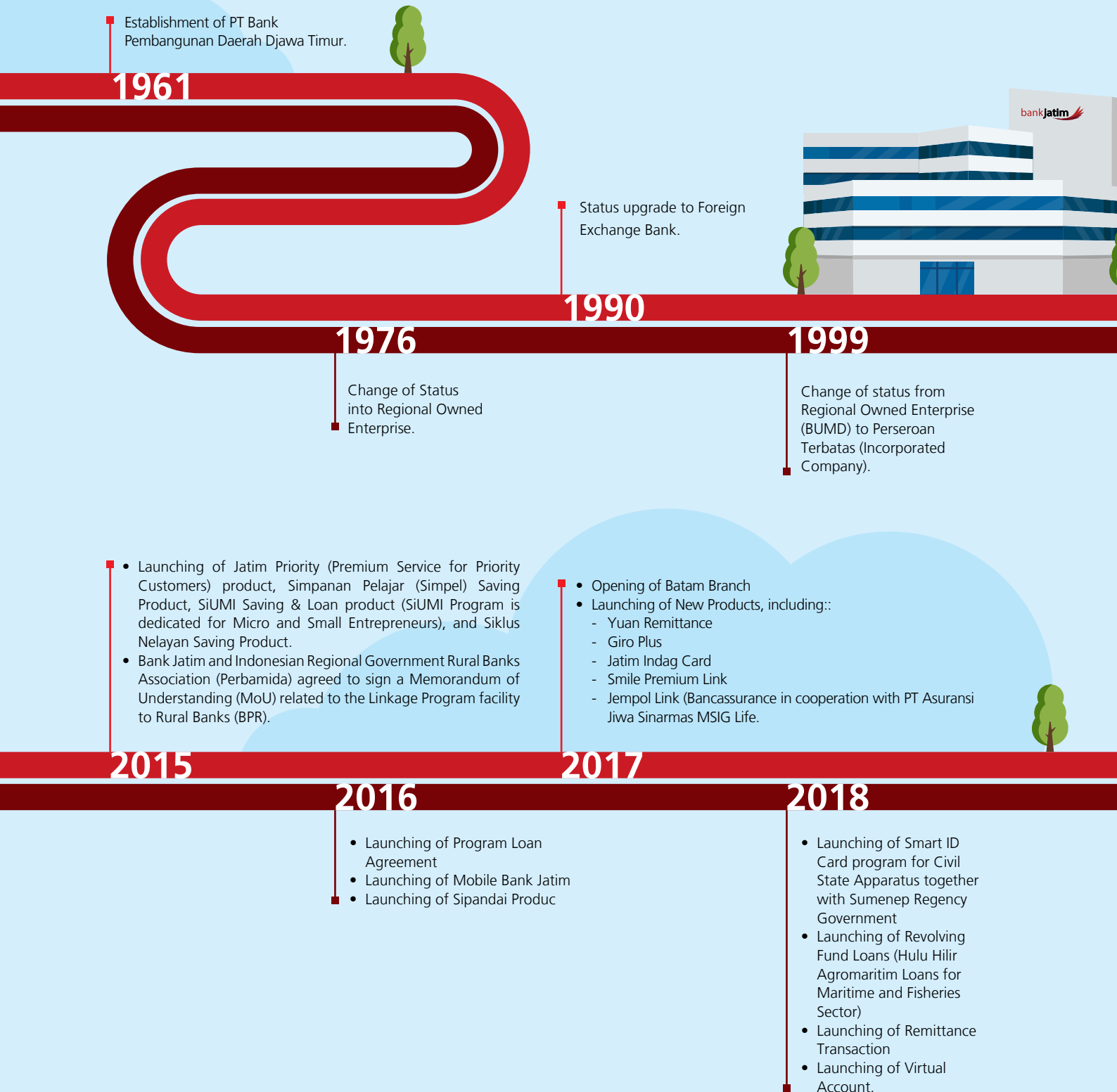


**Sharia Fund Products
& Services**



**E-Channel
& Other Services**

Milestones



Establishment of Sharia Business Unit of Bank Jatim.

2007

Establishment of 44 Micro Business Units.

2014

2012

Initial Public Offering on July 12, 2012.

- 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.

2019

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



- Expansion of Tax Payment Services through the marketplace.

2021

2022

2020

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

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



Performance Highlights







Important Achievements

2022



**COMMERCIAL LOAN,
CORPORATE AND SYNDICATED
IN 2022 REACHED**

Rp10,32
trillion

or increase



6,49%

compared to 2021



**CONSUMER LOAN
IN 2022
REACHED**

Rp27,70
trillion

or increase



5,25%

compared to 2021



**TOTAL ASSET
IN 2022
INCREASED**

Rp103,03
trillion

or increase



2,29%

compared to 2021





**MICRO, RETAIL LOAN
AND PROGRAMS
IN 2022 REACHED**

Rp6,27
trillion

or increase



25,91%

compared to 2021



**SHARIA FINANCING
IN 2022
REACHED**

Rp1,90
trillion

or increase



8,01%

compared to 2021



**PROFIT DURING THE YEAR
IN 2022
REACHED**

Rp1,54
trillion

or increase



1,30%

compared to 2021



**INTEREST SHARIA INCOME
IN 2022
REACHED**

Rp4,92
trillion

or increase



5,12%

compared to 2021

Summary

of Financial Overview

Financial Summary and Financial Ratios

Tabel of Financial Highlights

(in million rupiah)

Description	2022	2021	2020	2019	2018
STATEMENT OF FINANCIAL POSITION					
ASSET					
Cash	1,988,262	2,023,077	2,511,548	2,729,776	1,913,960
Current account with Bank Indonesia	10,786,740	8,805,300	3,659,968	5,734,527	4,075,938
Current account with other banks	303,129	211,681	237,715	111,479	97,287
Allowance for impairment losses	(441)	(238)	(53)	(25)	(15)
Current accounts with other banks. net	302,688	211,443	237,662	111,454	97,272
Placements with Bank Indonesia and other banks	6,916,329	9,917,695	6,884,658	11,989,584	13,349,542
Allowance for impairment losses	(3,154)	(1,763)	(795)	(2,357)	(2,302)
Placements with Bank Indonesia and other banks. net	6,913,175	9,915,932	6,883,863	11,987,227	13,347,240
Receivables of spot and derivatif	361	-	-	-	-
Securities, net	23,217,671	32,388,966	14,666,737	9,568,245	7,791,958
Cadangan kerugian penurunan nilai	(400)	(5,943)	(8,118)	(5,174)	(513)
Surat-surat berharga - neto	23,217,271	32,383,023	14,658,619	9,563,071	7,791,445
Securities sold under a repurchase agreement	4,095,066	-	-	1,038,432	566,891
Receivable from marketable securities purchased under resale agreement	7,822,847	3,420,685	12,573,044	5,837,520	-
Other receivables	286,147	230,019	131,932	81,265	34,069
Kredit yang diberikan dan pembiayaan syariah					
Related parties	134,871	182,889	285,595	320,896	240,632
Third parties	46,061,786	42,566,670	41,195,171	38,031,404	33,652,605
Number of loans granted	46,196,657	42,749,559	41,480,766	38,352,300	33,893,237
Allowance for impairment losses	(1,318,612)	(1,831,417)	(1,454,721)	(980,134)	(1,198,550)
Loans granted. net	44,878,045	40,918,142	40,026,045	37,372,166	32,694,687
Accrued interest income	646,125	793,900	555,020	416,420	373,341
Prepaid expenses	166,661	134,200	227,932	285,522	308,418
Fixed assets					
Acquisition cost	2,109,260	1,906,263	1,882,572	1,595,455	1,501,050
Accumulated depreciation	(825,010)	(762,052)	(676,592)	(572,026)	(528,993)
Net book value	1,284,250	1,144,211	1,205,980	1,023,429	972,057
Deferred tax asset. net	502,238	627,211	591,676	522,638	467,788
Tax receivables	493	412	65	-	-
Other assets. net	140,998	115,775	356,098	52,866	46,012
TOTAL ASSETS	103,031,367	100,723,330	83,619,452	76,756,313	62,689,118
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY					
LIABILITIES					
Obligations due immediately	872,514	593,875	484,834	357,565	514,585
Deposits from customers					

Description	2022	2021	2020	2019	2018
Related parties	15,295,405	17,719,735	14,373,446	14,940,917	14,947,056
Third parties	64,630,285	63,668,950	52,412,975	45,604,955	35,968,875
Total deposits from customers	79,925,690	81,388,685	66,786,421	60,545,872	50,915,931
Deposits from other banks					
Related parties	141,996	360,169	238,860	137,819	100,108
Third parties	3,168,842	3,775,548	2,576,134	2,750,611	635,000
Amount of deposits from other banks	3,310,838	4,135,717	2,814,994	2,888,430	735,108
Securities liabilities sold under repurchase agreements	3,891,346	-	-	1,037,094	566,699
Borrowings	631,464	655,288	631,355	1,870,246	725,563
Taxes payable	90,783	165,476	93,135	63,766	149,441
Accrued expenses	520,840	478,647	484,666	433,507	398,536
Other liabilities	472,054	529,738	596,630	538,275	211,319
TOTAL LIABILITIES	89,715,529	87,947,426	71,892,035	67,734,755	54,217,182
TEMPORARY SYIRKAH FUNDS					
Deposits from customers					
Related parties	2,302	3,021	1,686	-	-
Third parties	1,839,390	1,810,161	1,680,173	-	-
Amount of deposits from customers	1,841,692	1,813,182	1,681,859	-	-
Deposits from other banks					
Third parties	28,285	52,183	40,610	-	-
Total deposits from other banks	28,285	52,183	40,610	-	-
TOTAL TEMPORARY SYIRKAH FUNDS	1,869,977	1,865,365	1,722,469	-	-
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	3,753,875	3,753,875	3,753,875	3,750,593	3,744,534
Series B - 3,081,350,100 shares					
Additional paid-in capital - net	532,734	532,734	532,734	528,753	520,603
Fixed asset revaluation surplus	789,998	749,717	754,382	748,183	673,944
Remeasurement of defined employee benefit liability - net of deferred tax	(100,912)	(163,811)	(197,081)	(276,061)	(44,575)
Unrealized gain financial assets measured at fair value through other comprehensive income - net of deferred tax	(115,048)	213,177	125,753	20	-
Retained earnings					
General reserve	5,042,390	4,301,777	3,546,323	2,893,565	2,317,122
Unappropriated	1,542,824	1,523,070	1,488,962	1,376,505	1,260,308
TOTAL EQUITY	11,445,861	10,910,539	10,004,948	9,021,558	8,471,936
TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY	103,031,367	100,723,330	83,619,452	76,756,313	62,689,118
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Interest and sharia income	6,882,651	6,655,168	6,088,742	5,839,016	5,200,739
Interest and sharia expenses	(1,965,595)	(1,977,487)	(2,031,472)	(1,839,415)	(1,512,632)
INTEREST AND SHARIA INCOME-NET	4,917,056	4,677,681	4,057,270	3,999,601	3,688,107

Description	2022	2021	2020	2019	2018
OTHER OPERATING INCOME					
Reversal for impairment- losses on financial assets	-	361,666	-	-	-
Current accounts, savings and deposits administration fees	184,480	172,779	162,607	155,360	137,745
Collection of loans written-off	56,653	55,003	55,055	77,973	77,254
Loan administration fees	42,511	34,055	41,357	45,993	40,096
Fees and commissions from other than loans	11,105	5,225	5,613	14,795	7,089
Others	238,820	177,629	153,239	179,859	151,137
TOTAL OTHER OPERATING INCOME	533,569	806,357	417,871	473,980	413,321
OPERATING EXPENSES					
Salaries and employee benefits	(1,674,698)	(1,644,897)	(1,544,532)	(1,459,394)	(1,411,911)
General and administrative	(1,229,388)	(1,078,820)	(684,216)	(683,957)	(706,474)
Allowance for impairment losses on financial assets	(404,659)	(819,201)	(567,751)	(370,265)	(133,793)
Other expenses	(201,054)	(150,020)	(162,365)	(163,386)	(143,329)
TOTAL OPERATING EXPENSES	(3,509,799)	(3,692,938)	(2,958,864)	(2,677,002)	(2,395,507)
INCOME FROM OPERATIONS	1,940,826	1,791,100	1,516,277	1,796,579	1,705,921
NON-OPERATING INCOME (EXPENSES)					
Tax service fees	6,084	4,684	10,063	12,796	13,089
Gain on sale of fixed assets	5,274	3,952	2,670	393	-
Gain on sale of securities - net	2,757	131	-	-	-
Gain on foreign exchange	-	3,497	2,255	2,440	3,013
Others	158,513	404,119	16,688	58,490	39,635
Non-operating expenses	(83,405)	(269,509)	(40,586)	(6,565)	(7,960)
TOTAL NON OPERATING INCOME (EXPENSES)	89,223	146,874	(8,910)	67,554	47,777
INCOME BEFORE TAX EXPENSES	2,030,049	1,937,974	1,507,367	1,864,133	1,753,698
TAX EXPENSES - NET	(487,225)	(414,904)	(18,405)	(487,628)	(493,390)
CURRENT YEAR PROFIT	1,542,824	1,523,070	1,488,962	1,376,505	1,260,308
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss:					
Revaluation surplus (deficit) of fixed assets	40,281	(4,665)	6,199	74,239	44,713
Remeasurement of employee benefit liability	100,163	41,074	100,536	(289,357)	12,535
Beginning balance adjustment	(19,678)	-	-	-	-
Related income taxes	(17,586)	(7,804)	(21,556)	57,871	(3,134)
Items that will be reclassified subsequently to profit or loss:					
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	(400,611)	103,326	155,226	25	-
Beginning balance adjustment	(3,730)	-	-	-	-
Related income taxes	76,116	(15,902)	(29,493)	(5)	-
OTHER COMPREHENSIVE INCOME - NET OF TAX	(225,045)	116,029	240,405	(157,222)	54,114
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,317,779	1,639,099	1,729,367	1,219,283	1,314,422
BASIC EARNINGS PER SHARE (IN FULL AMOUNT)	102,75	101,43	99,16	91,80	84,15
STATEMENT OF CASH FLOWS					
Cash flows from operating activities					
Receipts of interest, sharia, fees and commissions	7,030,426	6,421,514	5,950,142	5,793,913	5,126,743
Receipts of other operating income	476,364	384,463	153,239	396,007	336,066
Collection of loans written-off	56,653	55,003	55,055	77,973	77,254
Receipts from non-operating income	172,136	416,380	29,007	74,120	55,739
Payment for non-operating expenses	(82,913)	(269,509)	(40,586)	(6,565)	(7,960)
Payment of interest, sharia, fees and commissions	(1,931,344)	(1,983,506)	(1,799,442)	(1,832,032)	(1,501,446)

Description	2022	2021	2020	2019	2018
Payment of salaries and employee benefits	(1,659,597)	(1,644,897)	(1,490,765)	(1,427,754)	(1,360,329)
Payment of general and administrative expenses	(1,296,665)	(1,211,045)	(544,941)	(777,253)	(785,200)
Payment of taxes	(389,372)	(378,098)	(378,774)	(581,512)	(544,875)
Cash flow from operating activities before changes in operating assets and liabilities	2,375,688	1,790,305	1,932,935	1,716,897	1,395,992
Changes in operating assets and liabilities:					
Placements with Bank Indonesia and other banks	(7,000)	-	112,000	(112,000)	-
Loans	(4,347,656)	(1,268,793)	(3,128,466)	(5,038,885)	(2,464,765)
Marketable securities sold under repurchase agreement	(4,095,066)	-	1,038,432	(471,540)	(566,891)
Reverse repo bill	(4,402,162)	9,152,359	(6,735,524)	(5,837,520)	-
Other assets and other receivables	(117,044)	235,620	(282,585)	(53,071)	9,831
Obligations due immediately	278,638	109,040	127,269	(146,873)	93,811
Deposits from customers	(1,434,484)	14,733,587	7,922,408	9,629,941	11,070,824
Deposits from other banks	(848,777)	1,332,296	(32,826)	2,153,322	(713,853)
Liabilities of marketable securities sold under repurchase agreement	3,891,346	-	(1,037,094)	470,394	566,699
Other liabilities	(39,476)	77,535	(146,658)	27,092	35,672
Net cash flows from (used to)	(8,745,993)	26,161,949	(230,109)	2,337,757	9,427,320
Cash flows from investing activities					
Purchase of marketable securities	8,846,760	(17,722,229)	(4,943,265)	(1,774,238)	(3,032,249)
Acquisition of fixed assets	(248,269)	(70,838)	(32,487)	(22,126)	(31,236)
Fixed asset sold	5,274	4,556	2,671	393	-
Net cash used in investing activities	8,603,765	(17,788,511)	(4,973,081)	(1,795,971)	(3,063,485)
Cash flows from financing activities					
Proceeds (payments of) from borrowings	(23,824)	23,933	(1,238,891)	1,144,682	(571,314)
Proceeds from additional paid-up capital	-	-	7,263	14,209	1,826
Payment of lease liability	(21,111)	-	(886)	-	-
Payment of cash dividends	(782,458)	(733,508)	(723,747)	(683,865)	(660,386)
Net cash is used in financing activities	(827,393)	(709,575)	(1,956,261)	475,026	(1,229,874)
Net increase (decrease) in cash and cash equivalents	(969,621)	7,663,863	(7,159,451)	1,016,812	5,133,961
Cash and cash equivalents at the beginning of the year	20,957,752	13,293,890	20,453,366	19,437,785	14,304,019
Effect of foreign currencies exchange rate changes	-	-	(25)	(1,231)	(195)
Cash and cash equivalents at end of year	19,988,131	20,957,753	13,293,890	20,453,366	19,437,785
Cash and cash equivalents consist of:					
Cash	1,988,262	2,023,077	2,511,548	2,729,776	1,913,960
Current accounts with Bank Indonesia	10,786,740	8,805,300	3,659,969	5,734,527	4,075,938
Current accounts with other banks	303,129	211,681	237,715	111,479	97,287
Placements with Bank Indonesia and other banks	6,910,000	9,917,695	6,884,658	11,877,584	13,350,600
Total cash and cash equivalents	19,988,131	20,957,753	13,293,890	20,453,366	19,437,785
FINANCIAL RATIO					
Minimum Capital Adequacy Ratio (CAR)	24.74%	23.52%	21.64%	21.23%	24.21%
Earning Asset Quality	2.55%	3.31%	3.48%	2.83%	2.79%
Non-Performing Loans (NPL-Gross)	2.83%	4.48%	4.00%	2.77%	3.75%
CKPN Against Earning Assets	1.62%	2.10%	1.93%	1.50%	2.18%
Fulfillment of PPAP / CKPN	73.04%	67.93%	59.48%	52.84%	68.37%
Profit Against Income	18.92%	20.40%	21.70%	21.76%	22.39%
Liability to Equity	800.16%	823.17%	735.78%	750.81%	639.96%
Liabilities to Total Assets	88.89%	89.17%	88.04%	88.25%	86.49%



Description	2022	2021	2020	2019	2018
Ratio of Fee Based Income to Total Operating Income	6.32%	5.50%	12.37%	8.86%	8.72%
Operating Costs / Operating Income (BOPO)	76.15%	75.95%	77.76%	71.40%	69.45%
Return on Asset (ROA)	1.95%	2.05%	1.95%	2.73%	2.96%
Return on Equity (ROE)	16.24%	17.26%	18.77%	18.00%	17.75%
Cost to Income Ratio (CIR)	38.41%	38.83%	36.91%	33.52%	-
Net Interest Margin (NIM)	5.11%	5.11%	5.55%	6.11%	6.37%
Cost Efficiency Ratio	50.64%	52.82%	50.93%	52.65%	56.01%
Loan to Deposits Ratio (LDR)	56.50%	51.38%	60.58%	63.34%	66.57%
Legal Lending Limit (LLL)	-	-	-	-	-
Minimum Statutory Reserves (Rupiah)	4.75%	5.73%	0.00%	9.63%	7.99%
Minimum Statutory Reserves (Foreign Currency)	7.39%	7.36%	8.22%	9.21%	11.84%
Net Open Position (NOP)	3.26%	0.84%	0.90%	1.37%	2.35%

Operations Highlights

Table of Operational Highlights of Bank Jatim

(in million Rupiah)

Description	2022	2021	2020	2019
CONVENTIONAL				
CREDIT/LOAN				
Corporate and Syndicated Medium Loan	10,320,231	9,691,297	9,748,903	8,711,965
Consumer Loan	27,694,313	26,313,613	25,951,351	24,659,762
Retail and Micro Loan Programs	6,272,869	4,981,888	4,173,152	3,578,740
THIRD PARTIES FUND/DEPOSITS				
Current Account	23,477,047	25,862,874	21,039,158	23,721,437
Savings	23,118,307	24,264,622	22,285,619	21,669,322
Deposit	30,543,334	31,088,576	23,316,556	13,509,606
OTHER SERVICES				
Treasury	43,251,010	45,281,074	33,911,368	29,707,332
SHARIA				
Funding	2,065,118	1,985,795	1,826,436	1,645,508
Sharia Financing	1,903,471	1,762,368	1,607,359	1,401,833
Sharia Other Services	998,163	1,964,752	1,378,999	875,545

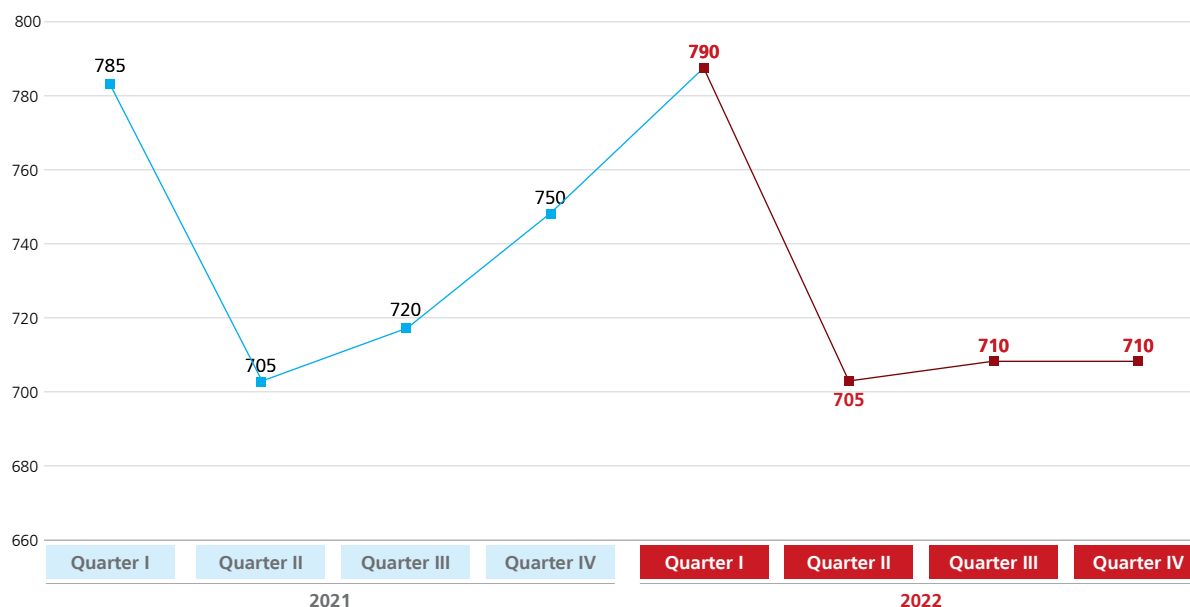
Stock Information

Table of Prices, Volume and Capitalization of Bank Jatim Stock 2021-2022

Year	Price per share				Number of shares outstanding (shares)	Trading Volume (Million shares)	Market Capitalization (IDR Billion)
	Opening (IDR)	Highest (IDR)	Lowest (IDR)	Closing (IDR)			
2022							
Quarter I	750	830	735	790	15,015,498,082	250,952	11,862
Quarter II	790	800	780	705	15,015,498,082	230,962	11,111
Quarter III	740	740	705	710	15,015,498,082	114,949	10,586
Quarter IV	710	730	675	710	15,015,498,082	78,922	10,661
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

Graph of Bank Jatim Stock Closing Price for 2021-2022

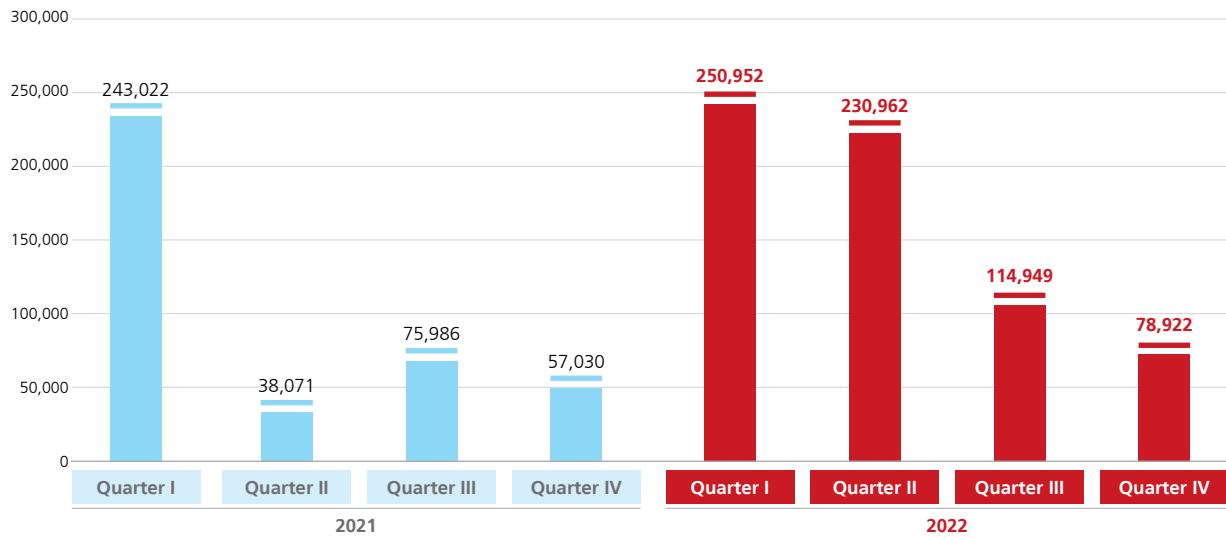
Share Closing Price (IDR)





Graph of Bank Jatim Stock Trading Volume in 2021-2022

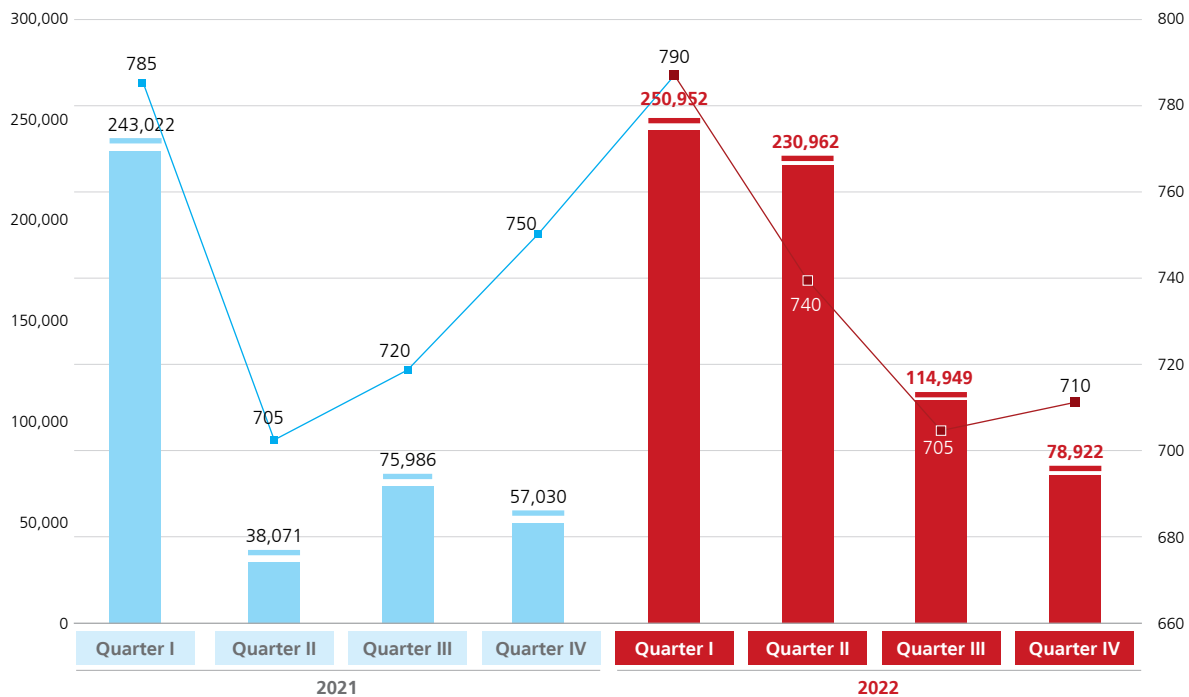
Shares



Graph of Price and Trading Volume of Bank Jatim Stock in 2021 – 2022

Trading Volume (shares)

Stock Closing Price (IDR)



Trading Volume (shares)

Trading Volume (shares)

Corporate Actions

In 2022 Bank Jatim did not carry out corporate actions related to activities that affect the number of outstanding stock, including stock splits, stock mergers, stock dividends, bonus stock, and changes in the nominal value of stock.

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

As of December 31, 2022, Bank Jatim has never been subject to sanctions for temporarily suspending stock trading (suspension) and/or delisting stock (delisting).

Bonds, Sukuk and/or

Convertible Bonds Information

As of December 31, 2022, 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, 2022, Bank Jatim has not issued other securities, so there is no information on the chronology of issuance and/or listing of other securities.

Company Analysis Report

No	Name	Recommendation	Target Price	Date
1.	PT BRI Danareksa	Buy	900	December 7, 2022
2.	RHB Research	Buy	1.000	December 9, 2022
3.	Binaartha Sekuritas	Buy	880	December 23, 2022

RESUME

- As of December 2022, Bank Jatim continued to show growth, from assets which grew 2.29% yoy and productive assets which grew 8.06% yoy. The Income Statement on Net Interest Income continued to grow even though it was not in line with loan growth, which was 2.94% yoy, Pre-provision operating profit (PPOP) increased by 4.65% yoy and reserves -10.54% yoy and the Non Performing Loan (NPL) ratio decreased from 4.48% to 2.83% due to the handling of problem loans and the write-off Loan. Meanwhile, net profit grew by 1.30% yoy.
- In terms of Third Parties Funds (TPF) grew -1.72% yoy. The decrease in TPF occurred in deposits -1.66% and demand deposits -9.01% while savings increased by 5.80% which is a reflection of the growth in users of the JConnect mobile banking application, which has downloaded 508 thousand with 28.9 trillion transactions in 2022.
- The ratio position of Bank Jatim for the Loan to Deposit Ratio (LDR) in 2022 increased from 51.38% to 56.50% in line with loan growth and reduced TPF. For RoA, the position decreased to 1.95%, RoE decreased to 16.24%. This is because on the asset side it increased quite significantly but was not followed by high profit growth. Meanwhile, Net Interest Margin (NIM) is maintained at 5.11%. The ratio of Operational Income to Operational Expenses increased to 76.15% due to the addition of new employees.
- Bank Jatim's target for 2023 is for assets to grow 1-2% and TPF to grow 8-9%. This is optimized by shifting from treasury placement to loan so that loan is targeted to grow 12-13%, because it is supported by the addition of the number of Account Officers (AO). Thus, LDR will increase by around 58-60%, and NIM will also increase by around 5.3-5.4% because loan yields are higher than treasury yields, so we can project profit to grow 5-6%.

Important Events In 2022



28 January

Bank Jatim signed a cooperation agreement with the East Java Provincial Education Office.



22 February

Described 2021 Financial Performance Total Assets Translucent IDR100 Trillion, Bank Jatim Made History.



17 March

Annual General Meeting of Shareholders of PT Bank Pembangunan Daerah Jawa Timur Tbk for Fiscal Year 2021.



20 April

Bank Jatim Continued to Show Positive Growth in Quarter I.



19 May

Bank Jatim Won TOP BUMD 2022.



30 May

Bank Jatim Won Best Bank Award 2022.



09 June

Facilitating Tax Payments, Bank Jatim together with the Government of Lamongan Regency Launched E-BPHTB and E-SPTPD.



14 June

Collaboration with Bank Jatim, Surabaya City Government Launched KatePay.



01 July

Bank Jatim got a lot of Awards at the End of Quarter II 2022.



25 July

Bank Jatim Continued to Show Positive Growth in the Quarter II.



29 July

Bank Jatim won Corporate Reputation Awards 2022.



20 August

61 Years Bank Jatim Sat Set Wat Wet.



29 August

Bank Jatim Synergy with Employment BPJS in the Success of the Circle GN Program.



29 August

Bank Jatim Supported the Ministry of Agriculture Through the TANI AKUR Program.



06 September

Bank Jatim won Two Top GRC Awards 2022.

**08 September**

Bank Jatim won Indonesia Top Bank Awards 2022.

**13 September**

Bank Jatim Held Public Expose, Continued to Show Positive Performance Post-Pandemic.

**25 September**

Pampering Customers, Bank Jatim Held Westlife Concert.

**25 September**

Commemorating 2 Decades of the AML-CFT Movement, Bank Jatim Planted Trees with the City Government of Surabaya.

**06 October**

Bank Jatim provided Assistance to Families of Kanjuruhan Victims.

**09 October**

Bank Jatim General Champion in East Java Inter-ROEs Sports Tournament.

**26 October**

Bank Jatim won Inews Indonesia Awards 2022.

**27 October**

Bank Jatim won Paritrana Award.

**28 October**

Great performance, Bank Jatim recorded a net profit of IDR1.2 trillion in the third quarter.

**01 November**

Bank Jatim Strengthened Synergy with the East Java Association of Indonesian Export Companies (GPEI).

**05 November**

Sparkling SIMPEDA 2022 Lottery Prizes.

**06 November**

Holding a Cultural Festival, Bank Jatim Invited People to Remember the Beauty of the Old Era.



10 November

Bank Jatim Improved International Standard Information Security Management System Through ISO 27001.



11 November

Bank Jatim Won the 2022 CNBC Indonesia Awards.



21 November

Bank Jatim Established Collaboration with PT Sinergi Gula Nusantara.



27 November

Bank Jatim and BNI Collaboration Improved Digital Banking Services.



01 Desember

Bank Jatim received the ASEAN Asset Class PLCs (Indonesia) award in the 2021 ASEAN Corporate Governance Scorecard Award in Manila.



07 Desember

PT Bank Pembangunan Daerah Jawa Timur Tbk Extraordinary General Meeting of Shareholders in 2022.



09 Desember

Bank Jatim Distributed Aid to Refugees and Volunteers for the Semeru Eruption.



15 Desember

Succeeding World Anti-Corruption Day, Bank Jatim won the 2022 LHKPN Award.



15 Desember

Success in Digital Transformation, Bank Jatim won Top Digital Awards 2022.



15 Desember

Bank Jatim Named Rank I Best KUR Distributor.



19 Desember

Bank Jatim Supports Trade Missions from East Java Province to Neighboring Countries.



27 Desember

Bank Jatim won Paritrana Award 2022 East Java Province.



Report of Directors and Board of Commissioners





03



Board of Directors' Report



Respected Shareholders and other Stakeholders,

We thank God Almighty for the blessings and gifts, so Bank Jatim was able to go through big challenges in 2022 and recorded good performance even though the economy was still experiencing uncertainty.



Busrul Iman

President Director

In the midst of uncertainty in this economic condition, Bank Jatim sought to continue to grow and participate in supporting and implementing the BPD Transformation program through tactical and strategic initiatives. Bank Jatim was also actively involved in BPD transformation and was trusted to be the leader of the human capital workstream.

On this occasion, please allow us to submit a report on the implementation of the management of the Bank for 2022 including the performance of the Bank, analysis of business prospects, developments in the implementation of corporate governance, performance evaluation of the 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 the banking sector, the aims and objectives of Bank Jatim are to carry out business in the field of financial and insurance activities, especially banking, in accordance with the provisions of the applicable laws and regulations. In accordance with the vision and mission, Bank Jatim developed competitive and professionally managed products and services in order to encourage regional economic growth. The Bank owned both conventional and sharia products and services as follows:

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

Financing, Capital Financing of Working Pattern of iB Barokah Presidential Decree, iB Barokah Bonded Investment Collateral Financing (ITIB), iB Barokah Receivable Financing (Factoring), Syndicated Financing, Employee and Personal Financing, Bank Guarantees and Halal Industrial Area Financing.

10. Sharia funding products and services included iB Barokah Current Account, Sempel iB Savings, My iB Savings, iB Amanah Umroh Savings, Sipandai iB Barokah Savings, Santri Savings, iB Barokah Savings, Barokah Prosperous Savings, iB Amanah Hajj Savings, Barokah iB Plan Savings, Retirement Savings iB Barokah, Barokah Deposits, Virtual Accounts, Payment Points, E-Channels (SMS Banking, J-Connect Mobile and JConnect Internet Banking) and iB Barokah Endowments.
11. E-channels and other services included SMS Banking (3366), JConnect Internet Banking, JConnect Mobile Banking, JConnect E-Kmg, JConnect E-Loan, Laku Pandai Services (Sipandai Bank Jatim), Info Bank Jatim (14044), ATM Cards Bank Jatim Debit, Bank Jatim Flazz Card (Co-Branding), Safe Deposit Box, Electronic Civil Servant Card (KPE), Virtual Account, East Java E-Samsat, National Digital Samsat (Signal), East Java Code QRIS and BJTM Connect.

As a company in the banking sector, of course, it cannot be separated from the customers or markets served. In an effort to serve and establish relationships with so broad and diverse and having long-term dimensions markets, Bank Jatim had to be able to create easier access to its customers. This effort was carried out by expanding the office network to remote sub-districts, because easy access to banking had become a necessity for the wider community. In addition, it was expected that in the future it will be able to provide education to customers about banking products that can support the business development.

Bank Jatim realized the importance of service to the market, therefore the distribution of Bank Jatim services became the focus of developing office networks down to the smallest area, namely the sub-district. This was in accordance with the vision of BPD transformation, namely to become a Regional Bank that was highly competitive, strong and contributes significantly to sustainable regional economic growth and equity. In addition, it was also an effort to find potential customers who could not be served by Bank Jatim. Thus, it was hoped that it will facilitate banking access for business actors in the retail sector and Micro, Small and Medium Enterprises (MSMEs). As of December 2022, Bank Jatim owned 1 Head Office and 1,783 office networks spread throughout the East Java region. Bank Jatim also had a business network in big cities such as Jakarta and Batam.

The implementation of the management of the Bank could be seen in the organizational structure of Bank Jatim which was divided into 6 (six) Directorates under the Main Director namely the Directorate of Micro, Retail and Medium, Directorate of Finance, Treasury and Global Services, Directorate of Risk Management, Directorate of IT and Digital, Directorate of Operations and Directorate of Compliance. Each Directorate was divided into several Divisions supporting the implementation of related Directors' duties. The Main Director was supported by the Corporate Secretary, Internal Audit Division and Human Capital Division. The Micro, Retail and Medium Directorate was supported

by the Micro, Retail and Medium Credit Division, the Consumer Credit Division, the Sharia Business Division and the Sharia Business Support Unit. The Directorate of Finance, Treasury and Global Services was supported by the Commercial, Corporate and Syndicated Credit Division, Accounting and Financial Management Division, Treasury Division, Funding and Services Division, Strategic Planning and Performance Management and the Institutional Relations Unit. The Risk Management Directorate was supported by the Risk Management Division, Credit Risk Division, and Credit Recovery and Settlement Division. The IT and Digital Directorate was supported by the Information Technology Division as well as the Digital Banking Unit and IT Security Unit. The Operations Directorate was supported by the Operations Division and General Division as well as the Credit Administration Unit and the Sharia/Conventional Branch Office Unit. The Compliance Directorate was supported by the Compliance and Governance Division and the Legal Division. All divisions contributed to the achievement of the performance of each Directorate and the performance of the Bank as a whole.

In carrying out its operational activities, Bank Jatim owned as many as 4,368 employees with detailed levels of education, namely 410 people with non-graduate education, 3,656 people with Bachelor education, 299 people with Masters education and 3 (three) people with Doctoral education. In 2022, Bank Jatim carried out competency development for its employees. 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 which were absolutely needed by employees in carrying out their duties/work. During 2022, the Bank included employees in education according to their positions and needs with a total of 3,428 participants.

The entire infrastructure owned by Bank Jatim run effectively in supporting the implementation of the Board of Directors' duties, especially in economic conditions in 2022 which were still experiencing uncertainty. In the midst of these economic conditions, the Directors were able to run the Bank's business well. Bank performance was influenced by various factors, particularly macroeconomic conditions.

Bank Indonesia predicted that the world economy grew by 3.0% in 2022 and declined to 2.6% in 2023. Likewise, in the World Economic Outlook (WEO), the International Monetary Fund (IMF) estimated the prospects for global economic growth in figure of 3.0% in 2022 and 2.6% in 2023. In the second quarter of 2022, global GDP declined slightly (by more -0.1 percentage points on a quarterly basis) with negative growth in major economies such as China, Russia and the United States and sharp declines in the most directly affected Eastern European countries by the war in Ukraine and international sanctions targeted at putting pressure on Russia to end the feud.

Meanwhile, inflationary pressure was still high, although it began to decline, due to continuing supply chain disruptions and a tight labor market, especially in the United States (US) and Europe. High inflation pushed global monetary policy to remain tight. The Fed was predicted to raise the Fed Funds Rate until early 2023 with a

long cycle of monetary policy tightening, although at a lower rate. These developments contributed to the continued strength of the US dollar and the ongoing high uncertainty in global financial markets resulted in weak capital inflows to developing countries, including Indonesia.

In the midst of ongoing global economic turmoil, the Indonesian economy remained resilient and had good prospects. Indonesia's economic growth in the fourth quarter of 2022 was recorded at 5.01% (yoy), much increased from the previous year's achievement of 3.70% (yoy). This reflected the continued strengthening of the national economic recovery amid increasing uncertainty over the global economic outlook. Bank Indonesia predicted that Indonesia's economic growth remained strong between 4.5% and 5.3% in 2023 and then increase to 4.7% to 5.5% in 2024, supported by increased private consumption, investment and exports which positive amidst a slowdown in global economic growth.

BPS stated that Indonesia's economic growth basis occurred in most business fields except Health Services and Social Activities which contracted by 1.74%. Business fields that grew significantly were Transportation and Warehousing by 25.81%; followed by the Provision of Accommodation and Food and Drink by 17.83%; and Government Administration, Defense and Compulsory Social Security of 12.42%. Meanwhile, the Processing Industry which had a dominant role grew by 4.83%.

From the banking side, increases in bank interest rates, both deposit rates and lending rates, were more limited. Based on BI's report, the 1 (one) month deposit rate in November 2022 was recorded at 3.72% or an increase of 83 bps compared to the

July 2022 level, while the November 2022 credit interest rate was recorded at 9.11% or an increase of 17 bps compared to the July 2022 level. The limited increase in bank interest rates was due to loose liquidity. Going forward, Bank Indonesia will continue to encourage banks to establish efficient, accommodative and competitive lending rates that can support economic recovery.

From the perspective of banking intermediation, the trend improves. Credit growth was recorded at 11.16% (yoy), supported by positive growth in all types of credit and the majority of economic sectors. Intermediation recovery also occurred in sharia banking, with financing growth of 23.5% (yoy). In the MSME segment, MSME loans growth was recorded to be quite high. Banking liquidity was maintained supported by growth in Third Party Funds of 8.80% (yoy). Bank Indonesia's simulation results showed that banking resilience was still maintained. This could be seen from banking capital remaining strong with the capital adequacy ratio (CAR) remaining high at 25.08%. Along with strong capital, risk remained under control as reflected in the ratio of non-performing loans (NPL) which was recorded at 3.70% (gross) and 1.01% (net).

Based on economic and industry analysis and taking into account the existing challenges, Bank Jatim had set a target market in the form of increasing TPF and Loans. The target for TPF and Loans Disbursement in 2022 was IDR85.80 trillion and IDR45.49 trillion, respectively. This increase was made by opening accounts at schools and one account for one student, collaboration with Hospitals, Schools/Universities and Islamic Boarding Schools in East Java, collaboration with *BPJS* (National Insurance) Employment and *BPJS* Health in paying *BPJS* premiums and placing funds at Bank Jatim.

To achieve this market target, Prime Lending Rate for 2022 was determined as follows:

Table of Prime Lending Rate

Bank Jatim Prime Lending Rate as of December 2022				
Based on Business Segment				
Corporate Loan	Retail Loan	Micro Loan	Consumer Loan	
			KPR	Non KPR
6.11%	7.17%	12.14%	7.36%	9.06%



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

Table of Savings Interest Rates as of December 2022

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 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 was calculated on a daily basis and according to the applicable tiering Interest was 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%
SIMPANAN LAKU PANDAI	
All Nominal	0.50%
SIKLUS PENSIUN	
0 - < IDR250 thousand	0.00%
IDR250 thousand - < IDR7.5 million	1.25%
IDR7.5 million - < IDR100 million	1.50%
≥ IDR100 million	1.75%

Tier	Interest Rate
SIKLUS VALAS	
USD	
< USD100	0.00%
> USD100 - ≤ USD10.000	0.05%
> USD10.000 - ≤ USD100.000	0.15%
> USD100.000	0.25%
SGD	
< USD100	0.00%
> USD100 - ≤ USD10.000	0.05%
> USD10.000 - ≤ USD100.000	0.15%
> USD100.000	0.25%
EUR	
0 - EUR300	0,00%
> EUR300	0,10%
JPY	
All Nominal	0,00%
HKD	
All Nominal	0,00%

Table of Time Deposit Interest Rates as of December 2022

Tier	Tenor (Month)						
	1 Month	2 Month	3 Month	6 Month	12 Month	18 Month	24 Month
≥ IDR2.5 million - IDR1 billion	2.60% pa	2.65% pa	2.75% pa	2.90% pa	2.95% pa	3.00% pa	3.00% pa
> IDR1 billion	2.65% pa	2.75% pa	2.80% pa	2.90% pa	2.95% pa	3.00% pa	3.00% pa

Table of Foreign Exchange Interest Rates as of December 2022

Tier	Tenor (Bulan)			
	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			
JPY				
≥ JPY100.000	Each placement had to be approved by the Division in charge			
HKD				
≥ HKD7.500	Each placement had to be approved by the Division in charge			

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



Table of On Call Deposit Interest Rates for December 2022

Tier	Interest Rate
Deposit On Call (Rupiah)	0.75% below the market interest rate of Government Banks, Regional Development Banks or Private Banks obtained from LHB or Reuters

Table of Current Account Interest Rates as of December 2022

Tier	Interest Rate
RUPIAH	
CALCULATION OF PROGRESSIVE DAILY GIRO SERVICES	
IDR0 - IDR5 million	0.00%
> IDR5 million - IDR100 million	0.50%
> IDR100 million - IDR1 billion	0.75%
> IDR1 billion - IDR500 billion	0.90%
> IDR500 billion - IDR750 billion	1.25%
> IDR750 billion	1.75%
Escrow Account Current Account	Same as Rupiah current accounts, and had to be included in the Cooperation Agreement (PK)
FOREX	
USD FOREX CURRENT ACCOUNT	
≤ USD1.000	0.00%
> USD1.000 - ≤ USD10.000	0.05%
> USD10.000 - ≤ USD100.000	0.15%
> USD100.000	0.25%
SGD FOREX CURRENT ACCOUNT	
≤ SGD1.000	0.00%
> SGD1.000 - ≤ SGD10.000	0.05%
> SGD10.000 - ≤ SGD100.000	0.15%
> SGD100.000	0.20%
EUR FOREX CURRENT ACCOUNT	
EUR	0.10%
JPY FOREX CURRENT ACCOUNT	
JPY	0,00%

Table of Profit Sharing Ratio

Product	Profit Sharing Ratio	Profit Sharing Realization
Individual Wadiah Current Account	-	0.09%
Wadiah General Office/Government Current Account	-	0.10%
Private General Wadiah Current Account	-	0.09%
Government General Mudharabah Current Account	5.00%	0.47%
My Savings iB	-	0.09%
Smart Practice Savings	-	0.13%
Simple Savings	-	0.09%
Student Savings	-	0.19%
iB Amanah Umrah Savings	-	0.09%
Amanah Hajj Savings	10.00%	0.95%

Product	Profit Sharing Ratio	Profit Sharing Realization
Baroque Savings	12.50%	1.19%
Prosperous Barokah Savings	4.00%	0.38%
iB Barokah Savings Plan	25.00%	2.37%
iB Barokah Pension Savings	15.00%	1.42%
Deposit 1 Months	36.00%	3.42%
Deposit 3 Months	38.00%	3.61%
Deposit 6 Months	41.00%	3.89%
Deposit 12 Months	42.50%	4.03%

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

1. Service standard reached 2nd (two) position Best Overall Performance Service Excellent from Marketing Research Indonesia (MRI) assessment for the Regional Development Bank Category.
2. Systems with digital banking enhancements, modernized core banking systems and infrastructure as well as IT security enhancements towards Digital Banking 4.0 (Omni Channel services).
3. Strengthening the structure and function of the treasury as a liquidity manager.
4. The implementation and use of Bank Jatim products used by the Regional Government in non-cash financial services and the application of regional financial information in the form of e-KD reached 80%.
5. Improving asset quality, credit, third party funds, profit with better balancing.

Bank Jatim in carrying out its business activities formulated a business strategy focus for 2022 which was implemented in achieving sustainable business growth, including the following:

1. Becoming a Regional Development Bank (BPD) Rank 2 (Credit Achievement) in 2022.
2. Minimizing the gap with Bank bjb assets.
3. Growing above the average asset growth of the Indonesian Regional Development Bank (BPD SI). Corporate Actions to invest ± IDR56 billion in capital for financial institutions and establish regional securities companies ± IDR5 billion
4. Minimizing the gap with Bank Jateng's lending.
5. Minimizing the gap with Bank bjb's TPF collection.
6. Acceleration of the loan process and collaboration with the central and regional governments through Synergy with Nawa Bhakti Satya.
7. Increasing the growth of TPF, especially in demand deposits and savings.
8. Maintaining Current Account Savings Account (CASA) Ratio at $\geq 61.60\%$, Macroprudential Inclusive Financing Ratio (RPIM) $\pm 37.25\%$
9. Optimizing loan expansion.
10. Treasury role optimization.
11. Increasing in the acquisition of fee-based income.

In addition to focusing on business strategy, the bank also focused on supporting business strategies as follows:

1. Evaluation of divisional performance to make it more effective and efficient.
2. Service Level Agreement (SLA) improvement.
3. Evaluation of the implementation of the new Organizational Structure.
4. Improving the quality of human resources through training activities.
5. Remuneration improvements.
6. Evaluation and implementation of reward and punishment.
7. Improving the new employee recruitment system.
8. Strengthening the corporate work culture through change agent training.
9. Setting a work culture in KPI in 2022.
10. GCG improvement roadmap to rank 2nd in 2022.
11. Maintaining the average risk profile rating at a score of 2.
12. Improving the quality of service standards is ranked 2nd among BPDs in Indonesia in 2022.

Meanwhile, the Sharia segment strategy was carried out through a funding strategy, namely increasing CASA and fee-based income as well as financing strategies, namely:

1. Optimizing plans to disburse syndicated financing and other approved financing that had not been realized in the second quarter.
2. Acceleration of the process for financing proposals that entered the process at the UUS Bank Jatim Head Office.
3. Analyst Optimization.
4. Collaboration with PT Makmur Berkas Amanda (MBA) in making the Sidoarjo Halal Industrial Park (HIPS) program a success as a program by the East Java Provincial Government to create a Rising East Java in 2021, which was a potential financing to customers for purchasing warehouses for investment.
5. Approach to Developers.
6. Approach with the MSME Community.
7. Optimization of BMT/BPRS Linkage Financing Distribution.



The Board of Directors directly lead the formulation of the Bank's strategy through various meetings between the Board of Directors and key management and stated in the Bank's Business Plan. The Board of Directors ensured that the strategies were implemented effectively through various Coordination Meetings, directives and reporting mechanisms.

Based on the strategy that had been implemented, in 2022 Bank Jatim produced good performance according to the target. From an operational standpoint, Total Commercial, Corporate and Syndicated Loans in 2022 reached IDR10.32 trillion, an increase of 6.49% compared to 2021 reaching IDR9.69 trillion. The increase came from the realization of syndicated loans of IDR1.39 trillion, an increase of 36.34% from the previous year's syndicated loans. Total Consumer Loans in 2022 reached IDR27.69 trillion, an increase of 5.25% compared to 2021 which amounted to IDR26.31 trillion. This increase mainly came from the growth of Multipurpose Loans of IDR6.73% or IDR1.50 trillion. Bank Jatim in 2022 for Micro, Retail and Program Credit schemes disbursed loans of IDR6.27 trillion, an increase of IDR1.29 trillion or 25.91% compared to 2021 of IDR4.98 trillion. This was due to an increase in the People's Business Loans(KUR) scheme of IDR1.85 trillion and Loans to Cooperatives (KKOP) of IDR1.01 billion.

In the Sharia segment, the realization of Sharia TPF in 2022 was IDR2.06 trillion, an increase of IDR79.32 billion or 3.99% compared to 2021 of IDR1.98 trillion. The growth in the number of deposits was followed by an increase in the number of customers. In 2022, the number of Bank Jatim TPF Sharia Bussiness Unit customers amounted to 264,670 customers, an increase of 25,471 customers or 10.65% compared to 2021. The amount of Sharia Financing in 2022 was realized at IDR1.90 trillion, an increase of IDR141.10 billion or 8.01% compared to the year 2021 of IDR1.76 trillion.

This good achievement was also seen from a financial perspective. In 2022 the total net interest and sharia income of Bank Jatim was recorded at IDR4,917,056 million, an increase of 5.12% from 2021 which reached IDR4,677,681 million. This increase was mainly influenced by an increase in revenue from third parties. Profit for the year in 2022 reached IDR1,542,824 million, an increase of 1.30% compared to 2021 which reached IDR1,523,070 million. The increase in the bank's profit for the year had an effect on the increase in bank assets and equity. For the financial year ending on December 31, 2022, the total assets of Bank Jatim reached IDR103,031,367 million, an increase of 2.29% from the previous year of IDR100,723,330 million. This increase in assets was affected by an increase in current accounts with other banks - net, loans - net, notes sold under agreements to repurchase (reverse repo) and other assets - net. Equity in 2022 reached IDR11,445,861 million, an increase of 4.91% compared to the previous year which reached IDR10,910,539 million. The increase came from the revaluation surplus of fixed assets, general reserves and undetermined use.

In general, Bank Jatim met the expectations of the Stakeholders. Various targets that had been set were realized in 2022. Total assets managed to exceed the target by 101.51% with a realization in 2022 of IDR103.03 trillion, as well as loans extended reaching 101.56% with a realization in 2022 of IDR46.20 trillion. Third Party Funds in 2022 reached IDR81.77 trillion with an achievement of 95.30%, slightly below the target. However, from a savings standpoint, it exceeded the target of 102.58% with a realization in 2022 of IDR26.34 trillion. From the income side, the achievement of interest income was also above the set target of 106.66% with a realization in 2022 of IDR6.88 trillion. Profit for the year managed to exceed the target set at 100.78% with a realization of IDR1.54 trillion in 2022.

Bank Jatim realized that the need for digitalization services is increasing. Bank Jatim innovated and invested in technology so that it remained competitive in the development of digital banking technology. The achievement of operational and financial performance became the result of various digital application innovations. Currently, several application developments were launched to make service easier for the public, namely:

- To facilitate services to customers, Bank Jatim launched JConnect Sipandai, JConnect EKMKG, JConnect Eloan, JConnect Mobile Banking, Jconnect Internet Banking, SMS Banking, East Java Kilat, Peer to Peer Lending Host To Host With Amarta Fintech, ATM-CRM, EDC, QRIS , QRIS-No Face to Face, Virtual Account, Digital Lounge and Apps for Government (Regional Financial Electronification Monitoring Application (eKD), e-Marketplace, e-Tourism, e-Retribution, and e-Bansos).
- To optimize business processes, Bank Jatim upgraded the Bank Jatim Core Banking System Machine, implemented ATM Monitoring, Server Virtualization, Core Switch DC - DRC, and Credit Scoring.
- For Strengthening IT Security, Bank Jatim conducted Application Security Testing, End Point Security Management, Email Security Gateway, Log Management System, Load Balancer, Two Factor Authentication and VPN Concentrator and Web Application Firewall.

Despite showing good performance, the Bank also faced various obstacles. These obstacles included less optimum digitalization of business processes and the security of information technology systems that had to be continuously improved. To overcome these obstacles, the Bank had a strategy of implementing a system with digital banking enhancements, a modernized core banking system and infrastructure as well as IT security enhancements towards Digital Banking 4.0 (Omni Channel services).

Another obstacle was less optimum marketing activities. To overcome these obstacles, the Bank applied a strategy to accelerate the loan process and collaborate with the central and regional governments through Synergy with Nawa Bhakti Satya and optimize loan expansion.

In addition, the quality of the Bank's human resources was still inadequate. To overcome these obstacles, the Bank improved the quality of human resources through training activities. The Bank also strengthened the company's work culture through change agent training.

Important Things to Happen in The Future and Business Prospects

The outlook for the global economy declined, which was mainly influenced by increasingly persistent inflation, tightening monetary policy and the war in Ukraine. The International Monetary Fund (IMF) in its World Economic Outlook (WEO) released in October 2022 projected an outlook for global economic growth of 2.7% in 2023. Meanwhile, global inflation was projected at 6.5% in 2023. Developments in global economic risks disrupted activities global manufacturing as described by the global Manufacturing PMI was at a contraction level in September 2022 after more than 2 (two) years at an expansion level. Developments in the global financial sector were also under pressure as evidenced by rising yields and the strengthening of the US dollar due to tightening monetary policy. These conditions put pressure on national economic stability, but were still under control and relatively better than peer countries. The government remained alert and considered developments in various risks, optimized the role of the State Budget to maintain recovery momentum, and also strengthened global coordination.

With ongoing economic recovery efforts to keep getting better in 2023, the projected economic growth in 2023 was estimated to reach 5.3%. This estimate was quite realistic considering the dynamics of recovery and structural reforms to encourage a more accelerating economic performance, but on the other hand it still anticipated the risk of uncertainty that will still overshadow the performance of the national economy going forward. Government efforts to support economic recovery and maintain macroeconomic stability will also contribute positively to reducing poverty, unemployment and inequality. The government will continue the social protection program to push the poverty rate back down in 2023 in the range of 7.5%-8.5%, the open unemployment rate is around 5.3%-6.0%, the inequality improvement (gini ratio) is 0.375- 0.378, and the achievement of the Human Development Index (IPM) in the range of 73.31-73.49.

Going forward, the direction of developing the digitization of the banking industry is expected to accelerate along with the issuance of the Financial Services Authority Regulation (POJK) Number 12/ POJK.3/2021 concerning Commercial Banks that accommodate Digital Banks. In the regulation, a Digital Bank is defined as a bank that provides and carries out its main business activities through electronic channels with limited or no physical offices other than the head office. Globally, the dynamics of the digital financial and banking industry has been responded to by the emergence of neobanks. Neobank is divided into 2 (two) types, namely full

stack neobank (has a business license and operates fully digitally without a physical network, for example neobanks operating in America such as Monzo and Revolut) and front-end focused neobank (does not have an independent business license so must operate in partnership with banks to provide banking services, one example of a front end focused neobank that has been operating in Indonesia is Jenius).

Considering this, Bank Jatim's policies and strategic steps are directed at increasing business growth after the recovery of the COVID-19 pandemic, improving and optimizing the field of information technology focusing on the following internal advantages:

1. Adequate digital banking technology infrastructure to compete with today's increasingly advanced financial industry.
2. Collaboration with various stakeholder parties such as marketplace, fintech, and other related parties in the framework of business development.
3. Coverage of the Bank Jatim office network that reaches to the archipelago in East Java, as well as big city areas such as Jakarta and Batam.
4. Relatively high level of Bank capital.
5. Good relationship and synergy with shareholders, especially the Provincial Government and Regency/City Government.

By utilizing its internal advantages, Bank Jatim is optimistic that it will have good prospects in the future. The opportunities for Bank Jatim in 2023 are as follows:

1. Changes in people's behavior patterns due to technological disruption, especially in the use of banking technology.
2. The number of millennial and Generation Z residents who incidentally are active users of the internet and e-commerce as well as digital economic and financial potential is increasingly dominating.
3. Synergy and collaboration with various parties, both the government and the financial/non-financial industry.
4. There is still a large market share potential for Bank Jatim, such as Civil Servants (PNS) and growing MSMEs.
5. There is a regional-based economic development program in East Java Province.

The Bank always strives to improve the capabilities of all organs in carrying out their business activities. In the Bank's Business Plan for 2023, the Bank's policy direction and strategic steps continue to increase business growth, technological innovation and efficiency. Business development focus includes:

1. Making adjustments to loan growth and office network taking into account regional potential mapping variables.
2. Providing High Quality Service.
3. Development of business digitization and supporting and targeting performance above the BPD industry.
4. Improving the implementation of the performance management system (KPI effectiveness).
5. Development of ecosystem-based fintech/e-commerce and business alliances for Regional Governments, SOEs/ROEs and communities in the East Java region.



6. Transformation of organizational structure, human capital (human capital transformation) and digital banking.
7. Connectivity and Building Ecosystem
8. Improving Information Technology Security.
9. Management of allocation of Regional Government funds to be maintained.

Corporate Governance

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

In fulfilling the interests of shareholders, the Bank fulfilled the rights of shareholders, including paying dividends in a fair and timely manner. The new shareholders coming from this Public Offering received the same and equal rights with the old shareholders of the Company, including the right to receive dividends. The amount of dividends to be distributed was related to the Bank'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 Bank to determine otherwise in accordance with the provisions of the Bank's Articles of Association. Apart from dividend distribution, the Bank 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 Board of Commissioners.
 - b. Attend and approve changes to the articles of association of issuance of equity securities or changes to 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 objects.
 - d. Attend and approve mergers, consolidations, acquisitions and separations as well as submission of applications for the Bank to be declared bankrupt and for dissolution of the Bank.
2. Except for the special rights referred to in number 1 above, holders of series B shares owned the same rights.

The Bank held the Annual GMS in a timely manner. The GMS for the Fiscal Year 2021 was held on March 17, 2022. The Annual GMS was well organized according to the predetermined agenda. Bank Jatim provided equal treatment to all shareholders. As long as the articles of association did not stipulate 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 regarding 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 that was only known by the Majority Shareholders.

In fulfilling stakeholder interests, Bank Jatim defined stakeholders as entities or individuals who were affected by the Company's activities, products and services. On the other hand, their existence also influenced the Bank in realizing the success of strategy implementation and achieving goals. Stakeholder engagement was directed at the Bank's business interests by taking into account corporate social responsibility, concern for environmental issues, and paying attention to priorities in building communication with various strategic partners.

The process of involving stakeholders included Bank Jatim's efforts to meet the expectations of each stakeholder by using the resources they owned, in an appropriate, accountable manner, and not in conflict with the provisions stipulated in the applicable laws and regulations.

The Bank always improved the quality of service to all customers. The customer became one of the main stakeholders for Bank Jatim. Their presence also determined the progress and sustainability of the Bank. Bank Jatim strived for the number of customers to continue to increase, as well as their trust. The best option done by Bank Jatim was to improve the quality of products and services and carry out various innovations in order to meet customer expectations. In the midst of increasingly fierce competition, this effort was not easy, but Bank Jatim was optimistic that it could make it happen.

Bank Jatim's efforts to provide the best products and services, as well as to meet customer expectations so that they could get maximum satisfaction, was to provide channels for complaints, while providing the best solutions as soon as possible. As a financial services institution, Bank Jatim collected complete data from each customer, both individuals and corporates, which had to be kept confidential. Success in maintaining the confidentiality of customer data became a gamble for Bank Jatim. Therefore, the Bank committed to maintaining this trust so that customer loyalty was maintained.

Bank Jatim could not fulfill all of its needs for goods and services independently in carrying out its daily operations. Therefore, the Bank cooperated with suppliers/vendors/work partners to fulfill goods and services as needed. In line with the spirit to advance local suppliers, namely suppliers domiciled and did business

in Indonesia, the Bank prioritized cooperation with them. The involvement of local suppliers in the procurement of goods and services became a form of indirect economic benefit felt by the community around the work unit of Bank Jatim. If the demand for goods and services could not be met by local suppliers, or due to certain considerations, Bank Jatim collaborated with foreign/international suppliers, namely suppliers domiciled and run businesses outside Indonesia.

The Bank committed to supporting the realization of sustainable development, namely development that aimed to ensure the integrity of the environment as well as the safety, capability, welfare and quality of life of the present and future generations. This goal could only be realized through development processes that prioritize harmony between economic, social and environmental aspects. Alignment was an important key because implementing development that only targeted economic growth would cause social inequality and a decrease in environmental quality with all its implications.

Bank Jatim continued to provide loans to business sectors that met the principles of Sustainable Business Activity Criteria (KKUB) in the process prioritizing efficiency and effectiveness in the use of natural resources in a sustainable manner. By taking into account the principle of prudence, the Bank ensured that all relevant activities had environmental permits according to regulations. Not only that, Bank Jatim also had a loan policy to avoid giving loans or financing to companies contributing to environmental pollution.

In addition to having a pro-environmental financing policy, Bank Jatim's contribution to environmental sustainability was also realized through environmentally friendly office operations. Concrete and simple efforts in realizing environmentally friendly office operations strengthened the commitment of Bank Personnel to carry out the 3R principles (Reduce, Reuse and Recycle) in utilizing or using work facilities and infrastructure. Bank Jatim believed that no matter how small the contribution that could be made through the 3R movement, it could have a positive impact on the environment.

Employees working at Bank Jatim became strategic assets in creating value for the Bank, realizing consumer satisfaction, as well as being the key to facing competition. In this very strategic position, employees were also engines of progress, even controlling other resources, including capital and technology. More than that, employees were also at the forefront of service so that they played a very important role in shaping the image of Bank Jatim as a trusted financial service institution and provided complete services so that it was worthy of being an option for customers. Bank Jatim committed to treating all employees equally (non-discriminatory) without discriminating based on gender, ethnicity, religion, political views, and so on. Bank Jatim committed to providing equal opportunities and career paths according to competence for female and male employees. Bank Jatim's commitment to bringing in the best quality employees was carried out by organizing competency development through education and training programs. In addition to providing training

to still active employees, Bank Jatim also provided special attention to employees who wished to retire by providing pre-retirement training.

The Bank provided contact details through the Bank's website or Annual Report 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 in a professional manner based on behavior in accordance with the code of ethics. Therefore, if there was a violation of the code of ethics, management prepared media reports managed in a transparent and fair manner through the Whistleblowing System.

The Bank always implemented information disclosure needed for stakeholders. Regarding share ownership, the Bank disclosed information including 5% or more shareholders, direct and indirect shareholdings from major shareholders and/or large shareholders, as well as direct and indirect shareholdings from the Board of Directors and Board of Commissioners. The Bank also carried out information disclosure through annual reports. The Company's annual report contained the vision, mission, goals and objectives of the Bank, financial and non-financial performance, dividend policy, detailed biographies of all Directors and Board of Commissioners, details of the attendance of each Director and Board of Commissioners in all meetings of the Board of Directors and the Board of Commissioners held throughout the year, the amount of remuneration for each member of the Board of Directors and the Board of Commissioners, related party transactions, as well as the Public Accountant office and its audit and non-audit fees.

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

Disclosure of Bank information was carried out through internal communication and external communication. Bank Jatim maintained an internal communication network between Bank management and employees and ensured the implementation of communication to run well within the organization. Taking into account this, Bank Jatim developed several communication channels, including through Bank Jatim Magazine, human resource intranet portals 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.

Bank Jatim used various communication channels both to internal and external parties that aimed to build a good corporate image through print media, electronic media, broadcast media, display media and others. To make it easier for the public to obtain the latest information about companies, 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 could find detailed information about Bank Jatim starting from history, organizational structure, vision and mission, management, network, achievements, funding products, credit products and Bank Jatim services for both conventional and sharia. In addition, the website also contained information on CSR distribution and the latest information/news about Bank Jatim.

In maintaining the trust of shareholders and stakeholders, the Bank Jatim Investor Relations team dealt directly with investors, analysts and shareholders to present the Bank's performance. Bank Jatim always committed to being transparent in submitting reports, both periodic and incidental reports to regulators in accordance with laws and regulations in a timely manner.

Regarding the responsibilities of the Board of Commissioners, the Board of Commissioners became an organ of the Company's Governance wof which job was to carry out general and/or specific supervision in accordance with the Articles of Association, provide advice to the Board of Directors, and ensure that the Company implemented the principles of good corporate governance. The Board of Commissioners was responsible to the GMS in terms of supervising the Board of Directors' policies regarding the Company's operations in general referring to the approved business plan, as well as ensuring compliance with all applicable laws and regulations. Throughout 2022, the Board of Commissioners provided Recommendations and carried out the duties and responsibilities of the Board of Commissioners through forums including Internal Board of Commissioners Meetings and Board of Commissioners and Directors Meetings.

Regarding the composition of the Board of Commissioners, currently the Bank had 60% Independent Commissioners from the total number of Commissioners in the Bank. The composition of the Independent Commissioners as of December 31, 2022 was 3 (three) people out of 5 (five) people among the composition of the Board of Commissioners.

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

Regarding the development of the implementation of corporate governance in 2022, the Bank carried out periodic GCG Assessments in accordance with the provisions of SEOJK 13/SEOJK.03/2017 dated March 17, 2017 concerning Implementation of Governance for Commercial Banks. In 2022, the Bank carried out assessments in semesters I and II. The scores obtained in semesters I and II were 2.47 and 2.51. The results of the assessment were followed up in order to increase the effectiveness of the implementation of good corporate governance in a sustainable manner.

Performance Assessment of Committees Under The Directors

During 2022, the Board of Directors considered that the committees under the Board of Directors carried out their duties and responsibilities properly.

Asset Liability Committee (ALCO)

ALCO became a committee for making decisions on assets and liabilities for the purposes outlined, a forum called the Asset Liabilities Committee (ALCO) was needed. In order to reduce and eliminate the risks that occurred in banking, especially liquidity, interest rate and exchange rate risks, cooperation and active participation were required from various decision makers, both in terms of assets and liabilities. Collaboration was successful if each decision maker knew their role and the impact of their decisions on overall business profits. During 2022 ALCO held 13 (thirteen) meetings.

Risk Management Committee

The Risk Management Committee was formed in order to maintain risk exposure at acceptable and profitable limits, so that the bank's business activities could remain manageable and carry out bank business activities based on the principle of prudence. During 2022 the Risk Management Committee held 6 (six) meetings.

Personnel Management Committee

The Personnel Management Committee was formed in order to obtain optimal results in deciding matters that are critical in the field of Human Capital both in terms of strategy, policy and Human Capital management system in line with the Bank's Business Plan. During 2022 the Personnel Management Committee held 27 (twenty seven) meetings.

Information Technology Committee

The Information Technology Committee became a part of IT governance in providing recommendations, the committee had to pay attention to the efficiency factor of the IT governance section in order to minimize the occurrence of risks associated with the use of IT and to protect the interests of the Bank and customers. As an embodiment of part of IT governance in order to minimize the occurrence of risks associated with the use of IT and to protect the interests of the IT Steering Committee was formed as a manifestation of the commitment of the Directors and management of Bank Jatim in the form of active oversight of IT management. As stipulated in the POJK MRTI, ITSC played a role in assisting the implementation of the Board of Directors' duties in establishing the Information Technology Strategic Plan and Bank policies regarding the use of Information Technology. During 2022 the IT Committee held 2 (two) meetings.

Credit Committee

The Credit Committee consisted of the Conventional Credit Committee and the Financing Committee. The Conventional Credit Committee was an operational committee formed by the Board of Directors to evaluate and/or provide credit decisions for the amount and type of credit determined by the Board of Directors with due regard to business development without abandoning the precautionary principle including credit restructuring and settlement. The Financing Committee became an operational committee formed by the Board of Directors to evaluate and/or provide financing decisions for the amount and type of financing determined by the Board of Directors with due regard to business development without abandoning the precautionary principle including financing restructuring and settlement.

- Credit Implementation Committee
During 2022 the Credit Implementation Committee held 31 (thirty one) meetings.
- Credit Rescue Committee
During 2022 the Credit Rescue committee held 10 (ten) meetings.
- Credit Settlement Committee
During 2022 the Credit Settlement Committee held 1 (one) meeting.
- Committee for Writing Off Credit and Financing
During 2022 the Credit Settlement Committee held 9 (nine) meetings.
- Financing Implementation Committee
During 2022 the Financing Implementation Committee held 7 (seven) meetings.

Loan Policy Committee

The Loan Policy Committee became a committee formed by the Board of Directors in the context of managing loan policy which aimed to support healthy loan provision and contains elements of internal control from the initial stages of the loan activity process to the loan monitoring stage with due observance of the principle of prudence. During 2022 the Conventional Loan Policy Committee and the Financing Policy Committee carried out their duties and responsibilities and held 1 (one) meeting.

Product, Network and Procedure Committee

PNP Committee for Products

The Product Committee became a committee formed by the Board of Directors to take steps to develop products/activities for both the retail and corporate segments enhancing the Bank's ability to compete and develop in the banking world. During 2022, the Product Sector PNP committee held 2 (two) meetings.

Network Sector PNP Committee

The Network Committee had the role of compiling the implementation of the development, change of status and/or closure of the network as well as determining the class of branches and sub-branches in network classification. The Network Committee functioned as a forum for managing policies and monitoring the effectiveness of the Bank's network to ensure success in creating optimal profits. During 2022, the Network Sector PNP committee held 5 (five) meetings.

PNP Committee for Procedures

The PNP Committee for Procedures 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 complied with regulations. During 2022 the PNP Committee for Procedures held 14 (fourteen) meetings.

Changes in The Composition of Members of The Board of Directors

During 2022, there was a change in the composition of the members of the Board of Directors. Changes in the composition of members of the Board of Directors were made based on the needs of the Bank. Changes in the composition of the members of the Board of Directors were as follows:

Composition of The Board of Directors Before The Annual GMS for Financial Year 2021

The composition of the Board of Directors of Bank Jatim prior to the 2021 Annual GMS was 5 (five) people consisting of 1 (one) Main Director and 4 (four) Directors as follows:

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



Composition of The Board of Directors After The Annual GMS for Financial Year 2021

On March 17, 2022, the 2021 Annual GMS decided to change the composition of the Bank's management as follows:

1. Approving and appointing:
 - a. Director of Commercial and Corporate: Edi Masrianto;
 - b. Director of Consumer Retail and Sharia Business: R. Arief Wicaksono.
2. Honorably dismiss members of the Board of Directors, namely:
 - a. Director of Business Risk: Rizyana Mirza;
 - b. Director of Finance: Ferdian Timur Satyagraha.

Thus, the composition of the Board of Directors of Bank Jatim after the Annual GMS for the 2021 Fiscal Year was 5 (five) people consisting of 1 (one) Main Director and 4 (four) Directors as follows:

Busrul Iman	: President Director
Tonny Prasetyo	: Director of IT and Operations
Erdianto Sigit Cahyono	: Director of Compliance and Risk Management
Edi Masrianto	: Director of Commercial and Corporate
R. Arief Wicaksono	: Director of Consumer Retail and Sharia Business

Composition of The Board of Directors After The Extraordinary GMS 2022

On December 7, 2022, the 2022 Extraordinary GMS decided to change the composition of the Bank's management as follows:

1. Approving and appointing:
 - a. IT and Digital Director: Zulhelfi Abidin;
 - b. Risk Management Director: Eko Susetyono.
2. Respectfully dismissed Erdianto Sigit Cahyono as Director of Compliance and Risk Management

Hence, the composition of the Board of Directors of Bank Jatim after the 2022 Extraordinary GMS was 6 (six) people consisting of 1 (one) Main Director and 5 (five) Directors as follows:

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

*) appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.

**) appointed concurrently as the Operation Director.

This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP dated December 13, 2022.

Closing

The Directors expressed the gratitude to the Board of Commissioners for being an important part of the course of Bank Jatim's business activities in the 2022 Fiscal Year. The supervision and advice provided by the Board of Commissioners also contributed to the direction of policies taken by management. The Board of Directors also expressed gratitude to stakeholders and shareholders.

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

Surabaya, March 21, 2023
On behalf of the Board of Directors



Busrul Iman
President Director



Board of Commissioners'

Report



Dear Shareholders and Stakeholders,

Praise to the presence of Allah SWT, for the blessings of the mercy and grace, Bank Jatim can record good performance in 2022. The Board of Commissioners appreciates the Directors to provide good performance amidst economic conditions that still experienced uncertainty



Suprajarto

President Commissioner

On this occasion, the Board of Commissioners submitted a monitoring and advisory report to the Board of Directors throughout 2022. In this report, we present an assessment of the performance of the Board of Directors, views on business prospects prepared by the Board of Directors, views on the implementation of Bank governance, as well as composition and changes composition of members of the Board of Commissioners. In the following, we submit a report on the supervision and provision of advice from the Board of Commissioners to the Bank's management for the 2022 financial year.

Performance Assessment of Board of Directors

The performance of the Board of Directors was inseparable from the effectiveness of the supervision and provision of advice carried out by the Board of Commissioners. Providing advice from the Board of Commissioners to the Board of Directors was carried out in various ways either through written letters or in Joint Meetings and work visits (on site visits). Providing formal advice was carried out through a Joint Meeting of the Board of Commissioners and the Board of Directors. Meanwhile, informal advice was provided through on site visits. During 2022, the Board of Commissioners held 18 (eighteen) 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 2022, the Board of Commissioners issued 13 (thirteen) letters of approval which became the authority of the Board of Commissioners as stipulated in the Articles of Association and applicable regulations. Some of these agreements were submitted as follows.

1. Provision of Loans to Related Parties.
2. Approval of the Internal Audit Division's 2022 Period Audit Plan.

3. Provision of Investment Loan Facility to Khadijah TPS-NU Foundation.
4. Approval of Adjustment of the Bank's Business Plan for 2022.
5. Approval of Proposed Changes in Remuneration for Committee Members (Independent Party).
6. Approval of Changes to the Bank Jatim Business Plan for 2022.
7. Approval of the proposed AML CFT Activity Product Policy.
8. Approval of the Sharia Supervisory Board Following the Extension of the Sharia Supervisory Certification.
9. Temporary replacement of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk.
10. Approval and Appointment of Public Accounting Firm to audit the Financial Statements of PT Bank Jatim for Fiscal Year 2022.
11. Approval regarding Corporate Actions for Equity Participation in healthy Regional Development Banks (BPD).
12. Approval of the Sharia Supervisory Board in the 2022 Sanawi Ijtima of Supervisory Board.
13. Approval of the Bank Jatim Business Plan for 2023.

The Board of Commissioners always carries out their duties, obligations and responsibilities in order to supervise the formulation of the strategy and implementation of the Bank's strategy in accordance with the 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. Meanwhile, supervision of strategy implementation was carried out through supervision and providing advice to the Board of Directors in carrying out the Bank's business activities.

In assessing the performance of the Board of Directors, the Board of Commissioners considered several aspects as the basis for their assessment. These aspects



included economic conditions, performance achievements, namely operational performance, financial performance and the soundness of the company. Assessment of the performance of the Board of Directors could be submitted as follows.

In the World Economic Outlook (WEO), the International Monetary Fund (IMF) estimated the prospects for global economic growth at 3.0% in 2022 and 2.6% in 2023. In 2022, global GDP declined slightly (more than -0, 1 percentage point quarterly) with negative growth in major economies such as China, Russia and the United States and sharp declines in the Eastern European countries most directly affected by the war in Ukraine and international sanctions targeted to put pressure on Russia to end the conflict.

While some major economies did not contract growth, the euro area surprisingly picked up in the second quarter, led by growth in the tourism-reliant southern European economies. The slowdown that occurred in the first half of 2022 was due to the rapid elimination of monetary accommodation as many central banks attempted to contain persistent inflation. Higher interest rates and the associated rise in borrowing costs, including mortgage rates, had the desired effect of taking the heat off domestic demand, with the housing market showing the earliest and most obvious signs of a US-like economic slowdown in spending. In sub-Saharan Africa more than two-thirds of government bonds had spreads of more than 700 basis points in August 2022, a significant increase over the previous year. In Eastern and Central Europe, the aftermath of the war in Ukraine prompted a shift in global risk appetite. In addition to monetary policy, China's COVID-19 epidemic, which was still not 100% over, and Russia's invasion of Ukraine also weakened economic activity. China imposed significant restrictions at home and tying up already strained global supply chains. The war in Ukraine and tightening gas supplies to Europe added to the already existing pressure on global commodity markets, pushing natural gas prices even higher.

On the national economic side, the Indonesian economy grew by 5.72% (year on year/yoy), slightly above the Government's projection of 5.7%. This reflected the continued strengthening of the national economic recovery amid increasing uncertainty over the global economic outlook. Bank Indonesia predicted that Indonesia's economic growth would remain strong between 4.5% and 5.3% in 2023 and then increase to 4.7% to 5.5% in 2024, supported by increased private consumption, positive investment and exports amidst a slowdown in global economic growth.

Central Bureau of Statistics stated that Indonesia's economic growth on a yoy basis occurred in most business fields except Health Services and Social Activities which contracted by 1.74%. Meanwhile, from an inflation perspective, Central Bureau of Statistics stated that in December 2022 there was yoy inflation of 5.51% with a Consumer Price Index (CPI) of 113.59. On the export-import side, cumulatively, Indonesia's export value in 2022 reached USD268.18 billion, an increase of 28.16% compared to 2021.

On the Banking Intermediation side, the trend improved. Loan growth in November 2022 was recorded at 11.16% (yoy), supported by positive growth in all types of loans and the majority of economic sectors. Intermediation recovery also occurred in sharia banking, with financing growth of 23.5% (yoy).

Meanwhile, Bank Indonesia continued to promote efficiency improvements in the payment system through strengthening policies and accelerating digitalization to maintain the momentum of economic recovery. The increase of digital economic and financial transactions was supported by increasing public acceptance and preference for online shopping, the breadth and ease of digital payment systems, and the speed of digital banking. The value of electronic money (EU) transactions in November 2022 grew 12.84% (yoy) to reach IDR35.3 trillion, while the value of digital banking transactions increased 13.88% (yoy) to IDR4,561.2 trillion in line with the normalization of people's mobility. In addition, the value of payment transactions using ATM cards, debit cards and credit cards also increased by 16.85% (yoy) to IDR664.9 trillion. Meanwhile, the amount of currency in circulation (UYD) in November 2022 increased by 7.77% (yoy) to reach IDR935.2 trillion.

In the midst of these economic conditions, the Board of Directors was able to face challenges and seize opportunities that occurred by recording good performance in 2022. From an operational standpoint, Total Commercial, Corporate and Syndicated Loans in 2022 reached IDR10.32 trillion, an increase of 6.49% compared to 2021 which amounted to IDR9.69 trillion. Total Consumer Loans in 2022 reached IDR27.69 trillion, an increase of 5.25% compared to 2021 reaching IDR26.31 trillion. From Micro, Retail and Program Loans, in 2022 disbursed loans amounting to IDR6.27 trillion, an increase of IDR1.29 trillion or 25.91% compared to 2021 of IDR4.98 trillion.

In the Sharia segment, the realization of Sharia TPF in 2022 was IDR2.06 trillion, an increase of IDR79.32 billion or 3.99% compared to 2021 of IDR1.98 trillion. The number of Bank Jatim Sharia Business TPF customers in 2022 reached 264,670 customers, an increase of 25,471 customers or 10.65% compared to 2021. The total Sharia Financing in 2022 was IDR1.90 trillion, an increase of IDR141.10 billion or 8.01% compared to 2021 of IDR1.76 trillion.

This good achievement was also seen from a financial perspective. In 2022 the total net interest and sharia income of Bank Jatim was recorded at IDR4,917,056 million, an increase of 5.12% from 2021 which amounted to IDR4,677,681 million. Profit for the year in 2022 reached IDR1,542,824 million, an increase of 1.30% compared to 2021 which reached IDR1,523,070 million. The increase in profit for the year led to an increase in total assets and total equity. In 2022, the total assets of Bank Jatim reached IDR103,031,367 million, an increase of 2.29% from 2021 which amounted to IDR100,723,330 million. Equity in 2022 reached IDR11,445,861 million, an increase of 4.91% compared to the previous year which reached IDR10,910,539 million.

In addition to operational and financial performance, the soundness level of the bank also became one of the considerations for the Board of Commissioners in evaluating the performance of the Board of Directors. The soundness level of the Bank was assessed based on POJK. 4/POJK.03/2016 concerning Assessment of the Soundness Level of Commercial Banks using a risk approach (risk-based bank rating). Assessment of the soundness level 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 the soundness of a bank applied a risk approach (risk based bank rating) which included 4 (four) risk factors. These factors were Risk Profile, Good Corporate Governance (GCG), Earnings and Capital. The Composite Rating of Bank Jatim's Soundness Level on December 31, 2021 was at Composite Rating 2 (Healthy).

Views on Business Prospects Prepared by the Board of Directors

The outlook for the global economy decreased mainly due to increasingly persistent inflation, tightening monetary policy and the war in Ukraine. The International Monetary Fund (IMF) in its World Economic Outlook (WEO) release in October 2022 projected an outlook for global economic growth of 2.7% in 2023. Meanwhile, global inflation was projected at 6.5% in 2023. Developments in global economic risks disrupted activities global manufacturing as described by the global Manufacturing PMI was at a contraction level in September 2022 after more than 2 (two) years at an expansion level. Developments in the global financial sector were also under pressure as evidenced by rising yields and the strengthening of the US dollar due to tightening monetary policy.

In the national economy, with efforts to continue to maintain an improving economic recovery in 2023, the projected economic growth in 2023 was estimated to reach 5.3%. This estimate was quite realistic taking into account the dynamics of recovery and structural reforms to encourage a more accelerating economic performance, but on the other hand it still anticipated the risk of uncertainty that will still overshadow the performance of the national economy going forward. Government efforts to support economic recovery and maintain macroeconomic stability will also contribute positively to reducing poverty, unemployment and inequality.

East Java's economy in 2023 is expected to accelerate compared to 2022, in line with the trend of improvement in the global and domestic economy. East Java's economic performance in 2023 was predicted to be in the range of 3.45% - 5.15% (yoy). East Java's economic growth in 2023 was predicted to be driven by the increasingly controlled factor of the Covid-19 Pandemic so that people's mobility in carrying out economic activities could also return to normal so that the economy will recover as before.

The direction of developing the digitization of the banking industry was expected to accelerate along with the issuance of the Financial Services Authority Regulation (POJK) Number 12/POJK.3/2021 concerning Commercial Banks that accommodate Digital Banks. In the POJK, a Digital Bank is defined as a bank that provides and carries out its main business activities through electronic channels with limited or no physical offices other than the head office. Globally, the dynamics of the digital financial and banking industry has been responded to by the emergence of neobanks.

After considering the economic conditions, the Board of Commissioners believed that the business prospects prepared by the Board of Directors were appropriate. The Board of Commissioners was on the view that Bank Jatim will be able to take advantage of existing opportunities, namely, changes in people's behavior patterns due to technological disruption, especially in the use of banking technology. This was also supported by the number of millennial and Generation Z residents as active users of the internet and e-commerce and the potential for digital economy and finance increasingly dominated. Synergy and collaboration with various parties, both the government and the financial/non-financial industry as well as the large potential market share of Bank Jatim, such as Civil Servants (PNS) and growing MSMEs also became opportunities for Bank Jatim.

Views on the Implementation of Good Corporate Governance

Bank Jatim commits to implementing Corporate Governance and always refers to applicable regulations. The implementation of good corporate governance (GCG) at the Bank is also based on implementation guidelines in accordance with international best practices/standards. The Board of Commissioners always carries out the oversight function to ensure that the management of the Bank carried out by the Board of Directors is in accordance with the applicable laws and regulations and provides the necessary advice/opinion on any strategic actions/activities in order to achieve the Bank's objectives. The Board of Commissioners was on the view that the implementation of GCG in the Bank had been going well. This could be seen in the GCG components as follows.

Risk management

Risk Management is a risk management activity through a process of identifying, measuring, monitoring, and controlling portfolios to estimate potential losses that may occur. Thus, with the implementation of risk management, it is hoped that risks that have the potential to occur can be mitigated and minimized.

The Risk Management Framework was contained in the Bank Jatim Risk Governance Structure including three main sections, 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 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 had considered risk tolerance and their impact on capital, elaborated and communicated risk policies and strategies to all related Work Units and evaluated their implementation.

The risks inherent in Bank Jatim's business in accordance with the provisions of the Financial Services Authority were 8 (eight) risks including Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk and Reputation Risk. The Bank prepared Risk Evaluation Reports periodically, namely 3 (three) months, and submitted 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 also discussed audit findings as material for risk evaluation and minimizing risks that occurred.

In accordance with FSA Regulation No. 18/POJK.03/2016 concerning the Application of Risk Management for Commercial Banks, article 23 regulated the obligation of Banks to submit Bank Risk Profile Reports to OJK every 3 (three) months (quarterly). The results of the Bank's risk profile self-assessment as of December 2022 were rank 2 (Composite Rating-2) with an inherently low to moderate risk rating and a Quality of Risk Management Implementation rating, namely Satisfactory.

The Board of Commissioners through the Risk Monitoring Committee considered that the adequacy of risk management had been effective and adequate, as reflected in:

1. Adequacy of Risk Management policies and procedures as well as determination of effective Risk limits such as:
 - a. Determination of the use of risk management measurement methods and information systems.
 - b. Risk determination and limit setting.
 - c. Determination of Risk rating assessment.
 - d. Preparation of emergency plans (contingency plans) in the worst conditions (worst case scenario).
 - e. Determination of the internal control system in the implementation of Risk Management.
2. Adequacy of the processes of identification, measurement, monitoring and control of Risks, and an adequate Risk Management Information System.

Internal Control System

The Internal Control System is a monitoring mechanism established by the management of Bank Jatim on an ongoing basis. An effective Internal Control System is an important component in management and forms the basis for sound and safe Bank operational activities. The implementation of an effective internal control system can assist Bank management in safeguarding Bank

assets, increasing Bank compliance with applicable laws and regulations, and reducing the occurrence of losses, deviations and violations of prudential aspects.

The implementation of a reliable and effective Bank internal control system is the responsibility of all risk taker units, support units, and the Internal Audit Division. The internal control system for risk referred to the overall internal control system which included:

1. The Bank implemented an effective internal control system in the implementation of Risk Management with reference to established policies and procedures. The application of the principle of segregation of functions (four eyes) was sufficient, and the principle was implemented consistently.
2. A comprehensive internal control system in implementing 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 order to improve the Risk Management framework.
5. Improvements to the findings of internal and external audits monitored by the Internal Audit Division. Audit findings that had not been followed up were 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 the applicable internal and external regulations.

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

1. The Board of Directors of the Bank had the responsibility of creating and maintaining an effective internal control system and ensuring that the system operated 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 outreach to all employees.
2. The Board of Commissioners of the Bank had the responsibility of supervising the implementation of internal control in general, including the policies of the Board of Directors that established such internal control.
3. The Internal Audit Work Unit had 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 targets set by bank management. In addition, the

Bank needed to pay attention to the implementation of an independent internal audit through adequate reporting lines, and the expertise of internal auditors, especially on the practice and application of risk assessment.

4. All Bank Officials and Employees. Every bank official and employee had to understand and implement the internal control system established by the bank's management. Effective internal control increased the responsibilities of bank officials and employees, encouraged an adequate risk culture and compliance culture, and accelerated the identification process of 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's Internal Control System.

Results of the Internal Control System Evaluation carried out by the Board of Directors through a review, namely the Board of Directors periodically (every quarter) reviewed the operational performance reports of the Head of Work Units (Branch Heads) through this review and evaluated findings such as problems with the Control System weaknesses Internal, Faulty Financial Statement Reports or other irregularities (fraud).

The Board of Commissioners and the Board of Directors provided direction on the results of audit reports on the adequacy of the internal control system carried out by the Internal Audit Division by holding regular coordination meetings regarding issues that became obstacles in the Bank's operations and achievement of bank performance including discussions regarding the findings of Internal Audit within a certain period. The Board of Commissioners considered that the internal control system had been effective and adequate.

Whistleblowing System

The success of implementing the anti-fraud strategy as a whole is highly dependent on the commitment and enthusiasm of the Board of Commissioners and the Board of Directors to foster a culture and awareness of anti-fraud 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, Directors and all employees of the Bank's organizational ranks. Regarding the implementation of the WBS, the Board of Commissioners had a role in reviewing the results of the special audit report from the WBS report audited by the Special & Assurance Sub Division. The Special Audit Report was then reported in the Semester Report on Implementation of the Anti-Fraud Strategy by the Operational & Financial Audit Sub Division.

Prevention and detection and identification of potential vulnerability risks became an early warning system for operational processes. Identification of findings indicating fraud was implicated in the

whistleblowing policy and mechanism. Through this mechanism it was expected that early detection of the occurrence of a violation and could increase the level of participation of employees, customers and other stakeholders in reporting a violation and used as an early warning of the possibility of a violation at Bank Jatim.

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

As a form of Bank Jatim's commitment to implementing an anti-fraud strategy and mechanism for complaints of violations and ensuring protection for whistleblowers in good reliance, the Bank was obliged to:

1. The Bank was obliged to protect whistleblowers.
2. The protection provided by banks against 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 committed to protecting whistleblowers who had good reliance and the bank would comply with all relevant laws and regulations as well as applicable best practices in implementing protection for whistleblowers.
5. All reports of fraud complaints were guaranteed confidentiality and security by the Bank and whistleblowers could obtain information regarding the progress of their complaints.
6. The Bank provided protection for internal bank employee whistleblowers from matters such as dismissal, demotion, discrimination, intimidation and other protections in accordance with applicable laws and regulations.

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

1. Conducting the Anti Fraud Strategy (SAF) program such as surprise audit (Operational and Credit).
2. Conducting socialization related to the implementation of the anti-fraud strategy and whistleblowing system during exit meetings on audit results and employees including new employees.
3. Provision of material related to the implementation of anti-fraud strategies and the whistleblowing system in the employee promotion program education schedule.
4. SAF system development.



The Board of Commissioners was of the view that the management of the Whistleblowing System at Bank Jatim had been going well. In 2022, there were 10 (ten) reports via whistleblower facilities. Of the 10 (ten) reports, 8 (eight) complaints had been processed.

Performance Assessment of Committees under the Board of Commissioners

In order to enhance the role of the Board of Commissioners in carrying out its supervisory function, the Board of Commissioners was assisted by 3 (three) committees namely the Audit Committee, the Remuneration and Nomination Committee, and the Risk Monitoring Committee. The procedure for evaluating the performance of Committees under the Board of Commissioners, namely 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 set for each Committee under the Board of Commissioners. KPI Committees 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 2022 the Committees carried out their duties and responsibilities quite effectively and worked independently and provided useful input/recommendations for the Board of Commissioners.

Changes in the Composition of the Board of Commissioners

During 2022, there was a change in the composition of the members of the Board of Commissioners. Changes in the composition of the members of the Board of Commissioners were made based on the needs of the Bank. Changes in the composition of the members of the Board of Commissioners were as follows:

Composition of the Board of Commissioners Before to the 2021 Annual GMS

The composition of the Board of Commissioners prior to the 2021 Annual GMS was 3 (three) people consisting of 2 (two) Independent Commissioners and 1 (one) Commissioner as follows:

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

Composition of the Board of Commissioners after the 2021 Annual GMS

On March 17, 2022, the 2021 Annual GMS approved and appointed members of the Board of Commissioners, namely Suprajarto as Main Commissioner and Sumaryono as Independent Commissioner. Hence, the composition of the Board of Commissioners after the 2021 Annual GMS was 5 (five) people consisting of 1 (one) Main Commissioner, 3 (three) Independent Commissioners and 1 (one) Commissioner as follows:

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

Closing

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

Surabaya, March 21, 2023
On behalf of the Board of Commissioners



Suprajarto
President Commissioner

Responsibility of

2022 Annual Report

We, the undersigned, state that all information in the 2022 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, March 21, 2023

Board of Directors



Busrul Iman
President Director



Tonny Prasetyo *)
Director of Operation



Edi Masrianto
Director of Finance, Treasury
& Global Services



R. Arief Wicaksono
Director of Micro, Retail & Medium



Zulhelfi Abidin **)
Director of IT & Digital



Eko Susetyono
Director of Risk Management

*) appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.

**) appointed concurrently as the Operation Director.

This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP dated December 13, 2022.

Board of Commissioners

A stylized black ink signature consisting of a large loop followed by a horizontal line and a small flourish.

Suprajarto
President Commissioner

A stylized blue ink signature with a large loop and a horizontal line.

Heru Tjahjono
Commissioner

A stylized black ink signature with a large loop and a horizontal line.

Candra Fajri Ananda
Independent Commissioner

A stylized black ink signature with a large loop and a horizontal line.

Muhammad Mas'ud
Independent Commissioner

A stylized black ink signature with a large loop and a horizontal line.

Sumaryono
Independent Commissioner

Company Profile



01



02



03





Corporate Identity

Company Name

PT Bank Pembangunan
Daerah Jawa Timur Tbk.



Business Fields

Finance



Nick Name

Bank Jatim

Contact Address

Call Center : 14044
SMS Banking : 3366
Telp : (031) 5310090-5310099
Fax : (031) 5310838
Email : info@bankjatim.co.id
Web : www.bankjatim.co.id,
www.bankjatim.id



Date of Establishment

August 17, 1961



Legal Basis of Establishment

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



Office Network Data

- 1 Head Office
- 41 Conventional Branch Offices
- 7 Sharia Branch Offices
- 172 Conventional Sub-Branch Offices
- 10 Sharia Sub-Branch Offices
- 215 Conventional Cash Offices
- 2 Sharia Cash Offices
- 204 Conventional Payment Point
- 8 Sharia Payment Point
- 841 ATM
- 25 Sharia ATM
- 0 CDM
- 65 CRM
- 7 Sharia CRM
- 97 Car Cash ATM
- 43 Car Cash ATM
- 7 Car Cash Syariah
- 195 Sharia Service Office/
Office Channeling



Authorized Capital

Rp9.000.000.000.000



SMS Banking

3366



Situs Web

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



Listing on The Indonesia Stock Exchange

July 12, 2012



Call Center

14044



Number of Employees

As of December 2022 as many as 6,550 people (including Outsourced Personnel)



Company's Address

Head Office

Jalan Basuki Rachmad
98 – 104, Surabaya 60271



Ownership

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



Corporate Secretary

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



Issued and Fully Deposited Capital

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



Investor Relations

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



@bankjatim



bankjatim



@bank_jatim



bank jatim

Name and Address of Branch Office and Sharia Branch Offices

BRANCH OFFICE				
Name	Address	Phone	Fax	Email and Web
Surabaya a Main Branch	Jl. Basuki Rakhmad 98-104, Surabaya	(031) 5310090-99	(031) 5470159	Bankjatim.cabut@gmail.com www.bankjatim.co.id
Banyuwangi Branch	Jl. Basuki Rahmat no. 156 Banyuwangi	(0333) 421755/ 426755	(0333) 421555	umumsdbmbanyuwangi@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
Ngawi Branch	Jl. Yos Sudarso 32 Kel. Margomulyo Kec. Ngawi Kab. Ngawi	(0321) 862217	(0321) 861952	bankjatim.ngawi@gmail.com umum.bankjatimngawi@gmail.com www.bankjatim.co.id
Jombang Branch	Jl. K.H. Wakhid Hasyim 36, Kec. Jombang, Kab. Jombang	(0321) 862217	(0321) 861952	bankjatim.jombang@gmail.com www.bankjatim.co.id
Kraksaan Branch	Jl. Raya PB. Sudirman 144, Kraksaan	(0335) 841382/ 843184	(0335) 841124/ 842451	bankjatim_kraksaan@yahoo.com www.bankjatim.co.id
Probolinggo Branch	Jl. Soekarno-Hatta 311 Kel. Tisnonegaran Kec. Kanigaran Kota Probolinggo	(0335) 422552/ 421879	(0335) 422314	bjprob@gmail.com www.bankjatim.co.id
Blitar Branch	Jl. HOS Cokroaminoto 36-38, Blitar	(0342) 801462/ 806089/807333	(0342) 802262/ 801353	bankjatimblitar@gmail.com www.bankjatim.co.id
Tulungagung Branch	Jl. I Gusti Ngurah Rai 1, Tulungagung	(0355) 321105/ 321106/327581	(0355) 321104/ 320407	bankjatim.tulungagung@gmail.com www.bankjatim.co.id
Tuban Branch	Jl. Basuki Rakhmad 13 Tuban	(0356) 322725	(0356) 321169	bankjatimtuban017@gmail.com www.bankjatim.co.id
Mojokerto Branch	Jl. A. Yani No. 20, Mojokerto	(0321) 321261/ 323002	(0321) 396112/ 395950/ 395501	umum.mojokerto@gmail.com www.bankjatim.co.id
Sumenep Branch	Jl. Trunojoyo 49 Sumenep	(0328) 662557/ 662487	(0328) 665780	bjsumenep018@gmail.com www.bankjatim.co.id
Sampang Branch	Jl. K.H. Wakhid Hasyim 111, Sampang	(0323) 321226/ 323400/325004	(0323) 321493/ 325006	bankjatim_sampang@yahoo.com bjtmsampang@gmail.com www.bankjatim.co.id
Bangkalan Branch	Jl. K.H. Moh. Kholil 38 Demangan Bangkalan	(031) 3095502/ 3093416/3099085	(031) 3095722	bankjatim_bangkalan@yahoo.com www.bankjatim.co.id
Pasuruan Branch	Jl. Pahlawan No. 18 Pasuruan	(0343)421061/ 411609/426086/ 431957	(0343) 426085/ 432797	bankjatim_pasuruan@yahoo.com www.bankjatim.co.id
Nganjuk Branch	Jl. Gatot Subroto 8 Nganjuk	(0358) 325100/ 325101/323910	(0358) 324420	bankjatim_nganjuk@yahoo.com www.bankjatim.co.id
Trenggalek Branch	Jl. Panglima Sudirman No. 145 Trenggalek	(0355) 791676/ 791675	(0355) 792945	bankjatim_trenggalek@yahoo.com www.bankjatim.co.id



BRANCH OFFICE

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

Company Brand

LOGO MEANING



5 Feathers



5 Spirits of Bank Jatim

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



3 Pillars and 2 Main Foundations of Banking

3 PILLARS

- Agent of Development
- Institutional Endurance
- Services

2 MAIN FOUNDATIONS OF BANKING

- Good Corporate Governance
- Risk Management

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

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



Company

Brief History



Bank Jatim's business journey began in 1961, currently Bank Jatim has 1 Head Office and 1,783 office networks consisting of Branch Offices, Sub-Branch Offices, Cash Offices, Payment Points, Cash Cars/Counters and ATM/CRM.

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

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

Operationally and in line with its development, in 1990 the East Java Regional Development Bank upgraded its status from a Commercial Bank to a

Foreign Exchange Commercial Bank, this was stipulated by the Decree of the Board of Directors of Bank Indonesia No. 23/28 / KEP / DIR dated August 2, 1990.

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

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

1999 concerning the Change in the Legal Entity of the East Java Regional Development Bank from a Regional Company to a Limited Liability Company at the East Java Regional Development Bank.

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

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

In line with the economic growth and to comply with the requirement to be Regional Champion BPD, with one of the indicators is to strengthen the capital structure, an amendment of Article of Associations was

taken based on Extraordinary General Meetings of Shareholders Decision Deeds No.89 dated April 25, 2012 of Fathiah Helmi, S.H., Notary in Jakarta and granted approval from Ministry of Law and Human Rights based on decree No.AHU-22728. AH.01.02. Tahun 2012 dated April 30, 2012, registered on the Company list according to Limited Company Law with registration No.AHU0038044. AH.01.09 Tahun 2012 dated April 30, 2012, as well as by Decision Letter of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAMLK) dated November 29, 2012 that declared effective registration statement to become a public company and changed its name to PT Bank Pembangunan Daerah Jawa Timur Tbk.

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 AHUAH.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 April 22, 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.

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

In order to ensure the suitability of the Vision and Mission of Bank Jatim which has been running so far, Bank Jatim always reviews the Vision and Mission periodically. In 2022, the Vision and Mission of Bank Jatim have been discussed and approved by the Board of Commissioners and Directors during the final presentation for the preparation of the 2022-2026 Corporate Plan.

bankjatim



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.



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.

Business

Activities



Business Activities According to the Articles of Association and Executed

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

- Provide a safe place to store goods and securities;
- Conduct entrustment activities for the benefit of other parties based on a contract;
- 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;
- Conduct factoring, credit card business, and trustee activities;
- 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;
- 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;
- Act as the founder of pension funds and manager of pension funds in accordance with the applicable pension fund regulations;
- 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;
- Conduct other activities commonly carried out by banks insofar as they do not contradict the prevailing laws and regulations.

All main and supporting 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.

Haji Savings

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

Tabunganku

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

Simpanan Pelajar (SIMPEL)

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

Simpanan Laku Pandai (SiPANDAI)

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

Siklus Pension Savings

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



Consumer Loans Products



Multiguna (Multipurpose) Loan

Consumptive sector loan facilities provided to members of the public who had a fixed income and other income, which could be used for all purposes as long as they did not conflict with applicable laws and regulations. The Bank provided Multipurpose loan facilities for the Board of Commissioners, Directors and Committee Members of Bank Jatim with procedures according to regulatory provisions and interest rates above the cost of funds (COF). The features of multipurpose loan products include:

- 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

Employee Loan

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

Personal Loan Car Allowance Program (CAP)

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

Motor Vehicle Loan

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

Cash Collateral Credit

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

Gold Guarantee Loan

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

Property Loan

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

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

Commercial, Corporate and Syndication Loan



Transactional Pattern Contractor Loan

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

Standby Loan Contractor Loans

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

Installment General Working Capital Loan

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

Current Account Working Capital Loan

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

Investment Loan

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

Property Construction Loan

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

Syndicated Loan

Syndicated Loan is a loan given to the debtors by 2 (two) or more Banks/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/dispensed yet at that time. The advantage of this loan is in its quick process.

Regional Government Loan

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

Trade Finance Loans

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



Micro, Retail dan Loan Program



Retail Jatim Loan

Jatim Retail loan was one of the productive loan schemes owned by Bank Jatim to support prospective debtors in obtaining capital assistance, especially MSME debtors with a maximum loan limit of IDR 1 billion.

Micro Laguna Loan

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

Linkage BPR Loan

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

People's Business Credit (KUR)

Loan/financing for working capital and/or investment to Micro, Small, Medium Enterprises and Cooperatives (UMKMK) in productive and feasible but not bankable business fields with a credit limit of up to 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)

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

Credit To Cooperative (KKOP)

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

KUMK Su-005/Government Investment Credit (KIP)

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

Cow Breeding Business Credit (KUPS)

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

Food Security And Energy Credit (KKPE)

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

Micro Jatim Loan

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

Fintech Linkage Loan

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

SiUMI Loan

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

Credit BPR RC (Newspaper Account)

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

Treasury Products



General Foreign Exchange (Telegraphic Transfer)

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

FX TODAY (FOREIGN EXCHANGE TODAY)

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

FX TOM (FOREIGN EXCHANGE TOMORROW)

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

FX SPOT (FOREIGN EXCHANGE SPOT)

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

FX FORWARD (FOREIGN EXCHANGE FORWARD)

FX Forward transaction is a sale and purchase transaction on foreign currency with the time of delivery of funds conducted

in more than 2 (two) working days following the day/date of the transaction.

Bank Notes

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

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

On-Call Deposits

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

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 EKSPOR

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 EKSPOR

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 IMPOR

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 IMPOR

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

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

Giralization

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

Bpd Net Online

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

Jatim Electronic Transfer System (JETS)

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

JConnect Invest

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

1. ORI (Indonesian Retail Bonds)
One of the Government Securities (SBN) instruments offered to individuals or Indonesian Citizens through Distribution Partners in the Primary Market with a predetermined minimum volume.
2. SBR (Retail Saving Bonds)
A type of Government Bond (SUN) or SBN specifically offered to individuals or individuals whose nature is similar to savings or bank deposits, because they cannot be traded back on the secondary market.

3. SR (Retail Sukuk)

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

4. ST (Saving Sukuk)

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

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

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

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

Emas iB Barokah

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.

Gold 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 Maqbulah

Umroh iB Maqbulah 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 principle.

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 Syndication

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

Employee and Personal Financing

Financing facilities provided by the Bank to the Board of Commissioners, Directors, Permanent Employees, Permanent Non-

Career Employees, MLE, Prospective Employees, Committee Members, Retired Employees and the Personal Loan Car Allowance Program (CAP), which are used for consumptive purposes and for other purposes as long as they do not conflict with applicable legal regulations and based on sharia principles.

Bank Guarantee

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

Halal Industrial Area Financing

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

Sharia Fund Products And Services



Giro iB Barokah

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

Tabungan Simpel iB

"Simpanana Pelajar (Student Savings)" or SIMPEL became a savings product based on the Wadi'ah principle that was exchanged for students under 17 years of age and who did not yet have a ID card issued jointly by banks in Indonesia. It was easy

and simple account opening requirements as well as attractive features, as an effort to educate and financial inclusion to encourage a culture of saving from an early age. The withdrawal could be made at any time and the bank was not required to provide compensation except in the form of a voluntary bonus.

Tabunganku iB

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



Umroh iB Amanah Savings

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

Sipandai iB Barokah Savings

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

Student Savings

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

Barokah Savings

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

iB Barokah Sejahtera Savings

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

Savings Hajj iB Amanah

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

Saving Plan iB Barokah

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

iB Barokah Pension Savings

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

Barokah Deposits

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

Virtual Account

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

Payment Point

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

E-Channel (SMS Banking, JConnect Mobile dan JConnect Internet Banking)

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

Wakaf iB Barokah

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

E-Channel & Other Services

SMS Banking (3366)

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

JConnect Internet Banking

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

JConnect Mobile Banking

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

JConnect E-KMG

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

JConnect E-Loan

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

Layanan Laku Pandai (SiPandai Bank Jatim)

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

Info Bank Jatim (14044)

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

Bank Jatim Atm Card and Debit Card

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

Bank Jatim Flazz Card (Co-Branding)

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

Safe Deposit Box

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

Civil Servants Electronic Card (KPE)

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

Virtual Account

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

E-Samsat Jatim

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

Samsat Digital Nasional (SIGNAL)

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

Jatim Code Qris

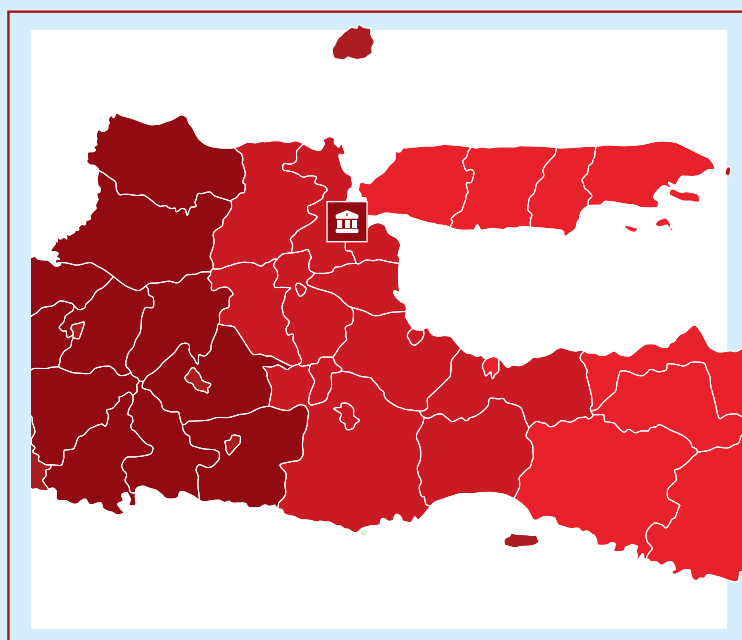
The JConnect Mobile application can be used by customers to make purchases/payments by scanning QRIS installed at merchants or stores that have QRIS installed, both East Java Code QRIS and QRIS from other Payment System Service Providers (PJSP). Jatim Code QRIS can also be scanned by applications from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



Operating Area



As of December 31, 2022, Bank Jatim owned **1** Head Office and **1,783** office networks consisting of Branch Offices, Sub-Branch Offices, Cash Offices, Payment Points, Cash Cars/Counters and ATMs/CRM.

EAST JAVA



Table of Bank Jatim Offices per Region in 2022

Office Location	KC	KCP	KK	PP	KM	KCS	KCPS	KKS	KLS	PPS	KMS	ATM	ATMS	CRM	CRMS
Surabaya	4	24	27	15	2	1	3	1	40	2	1	105	6	10	1
Banyuwangi	1	6	11	5	2	-	1	-	-	-	-	28	-	2	-
Jember	1	6	6	5	-	1	-	-	26	-	1	24	2	1	1
Malang	1	5	9	15	2	1	-	-	28	1	1	31	4	3	1
Madiun	1	5	9	7	3	1	-	-	29	-	1	34	1	2	1
Kediri	1	7	9	8	2	1	-	1	31	1	1	30	4	1	1
Pamekasan	1	2	2	4	-	-	-	-	-	-	-	14	-	1	-
Bojonegoro	1	4	7	9	-	-	-	-	-	-	-	25	-	3	-
Lumajang	1	4	6	3	1	-	-	-	-	-	-	22	-	k-	-
Ngawi	1	8	4	3	2	-	-	-	-	-	-	20	-	1	-
Jombang	1	3	7	7	1	-	1	-	-	-	-	16	-	2	-
Kraksaan	1	2	5	2	1	-	-	-	-	-	-	10	-	1	-
Probolinggo	1	3	3	2	2	-	1	-	-	-	-	20	-	1	-
Blitar	1	5	7	14	1	-	1	1	-	-	-	23	-	1	-
Tulungagung	1	4	5	4	1	-	-	-	-	-	-	20	-	1	-
Tuban	1	5	4	3	-	-	-	-	-	-	-	24	-	1	-
Mojokerto	1	3	4	5	1	-	1	-	-	-	-	20	-	1	-
Sumenep	1	1	5	4	-	-	-	-	-	-	-	20	-	1	-
Sampang	1	1	4	3	-	-	1	-	-	-	-	13	-	1	-
Bangkalan	1	3	4	6	-	-	-	-	-	-	-	12	-	1	-

Table of Office Network for the last 5 years

Office Type	2022	2021	2020	2019	2018
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	182	162	162	160
Sharia Sub-Branch Office (KCPS)	10	10	10	10	9
Cash Office (KK)	212	211	209	209	207
Sharia Cash Office (KKS)	3	2	-	-	-
Sharia Service Office (KLS)	195	195	195	191	191
Payment Point (PP)	196	248	247	249	203
Payment Point Syariah (PPS)	8	8	9	10	8
Car Cash (KM)	36	97	92	92	92
Sharia Car Cash (KMS)	7	7	6	6	6
Automatic Teller Machine (ATM)*	815	780	753	742	735
Sharia Automatic Teller Machine (ATM)	26	25	24	23	22
Cash Recycle Machine (CRM)	58	51	25	-	-
Cash Recycle Machine (CRM) Sharia	7	7	2	-	-
Cash Deposit Machine (CDM)	-	-	-	2	2
Total	1.784	1.852	1.783	1.745	1.684

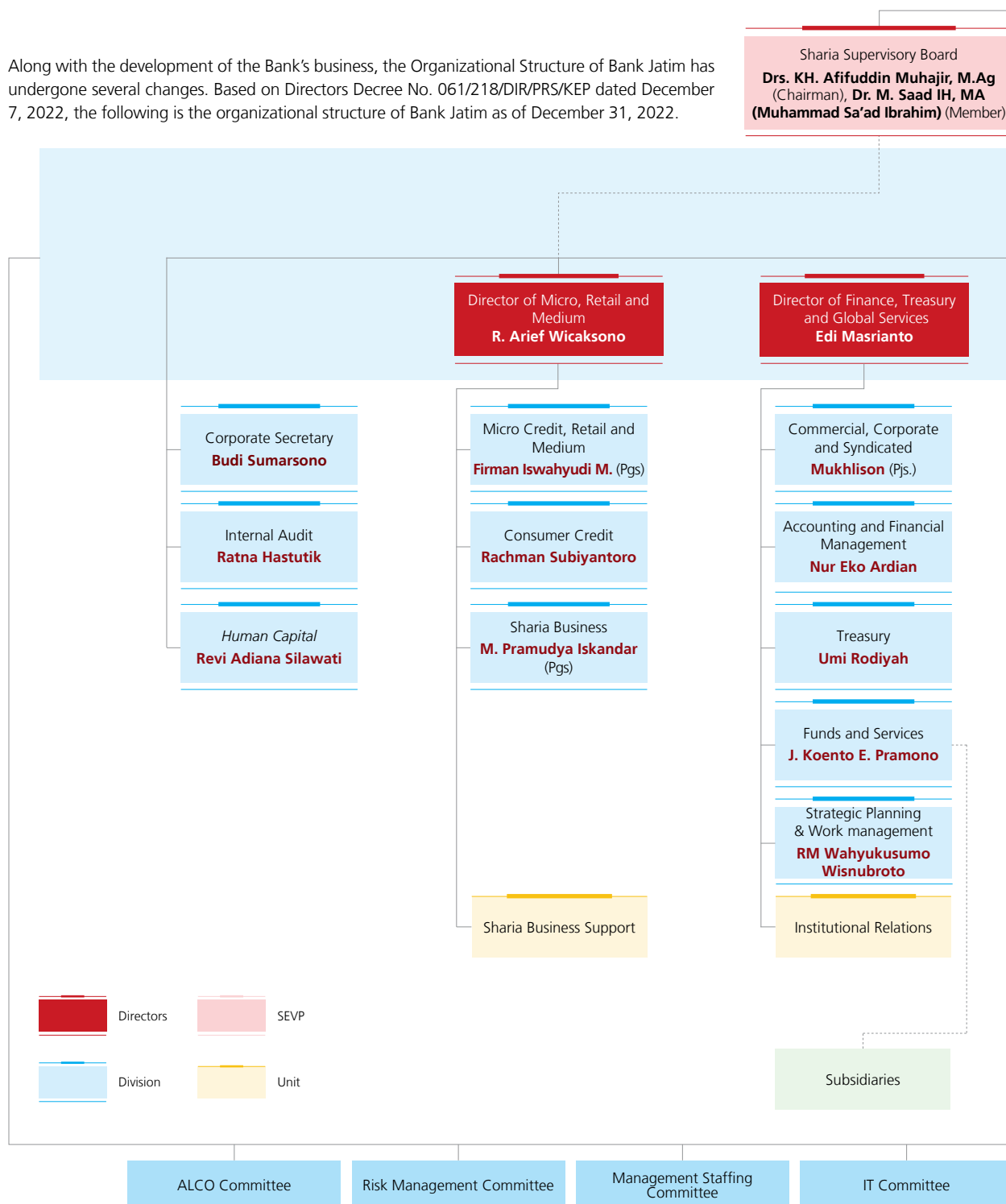
* Bank Jatim Automated Teller Machines (ATMs) are incorporated with 81,569 ATM BERSAMA network terminals, 101,313 PRIMA ATM terminals, 695,971 Electronic Data Capture

Office Location	KC	KCP	KK	PP	KM	KCS	KCPS	KKS	KLS	PPS	KMS	ATM	ATMS	CRM	CRMS
Pasuruan	1	7	5	7	1	-	-	-	-	-	-	28	-	1	-
Nganjuk	1	4	5	14	1	-	-	-	-	-	-	19	-	2	-
Trenggalek	1	3	6	3	1	-	-	-	-	-	-	19	-	1	-
Ponorogo	1	4	6	4	1	-	-	-	-	-	-	21	-	2	-
Pacitan	1	3	2	3	1	-	-	-	-	-	-	20	-	1	-
Gresik	1	5	6	3	1	1	-	-	24	2	1	22	4	1	1
Sidoarjo	1	8	12	7	3	1	-	-	17	2	1	43	5	1	1
Lamongan	1	5	5	7	1	-	1	-	-	-	-	24	-	1	-
Situbondo	1	2	4	4	2	-	-	-	-	-	-	16	-	2	-
Bondowoso	1	3	3	2	1	-	-	-	-	-	-	18	-	1	-
Magetan	1	4	5	2	-	-	-	-	-	-	-	19	-	1	-
Kangean	1	-	1	-	-	-	-	-	-	-	-	4	-	1	-
Jakarta	1	6	-	-	-	-	-	-	-	-	-	8	-	1	-
Batu	1	1	3	4	1	-	-	-	-	-	-	9	-	1	-
Bawean	1	-	1	-	-	-	-	-	-	-	-	6	-	1	-
Pare	1	2	2	6	-	-	-	-	-	-	-	13	-	2	-
Kepanjen	1	4	8	6	1	-	-	-	-	-	-	14	-	1	-
Batam	1	-	-	-	-	-	-	-	-	-	-	1	-	1	-
Grand Total	41	162	212	196	36	7	10	3	195	8	7	815	26	58	



Organizational Structure

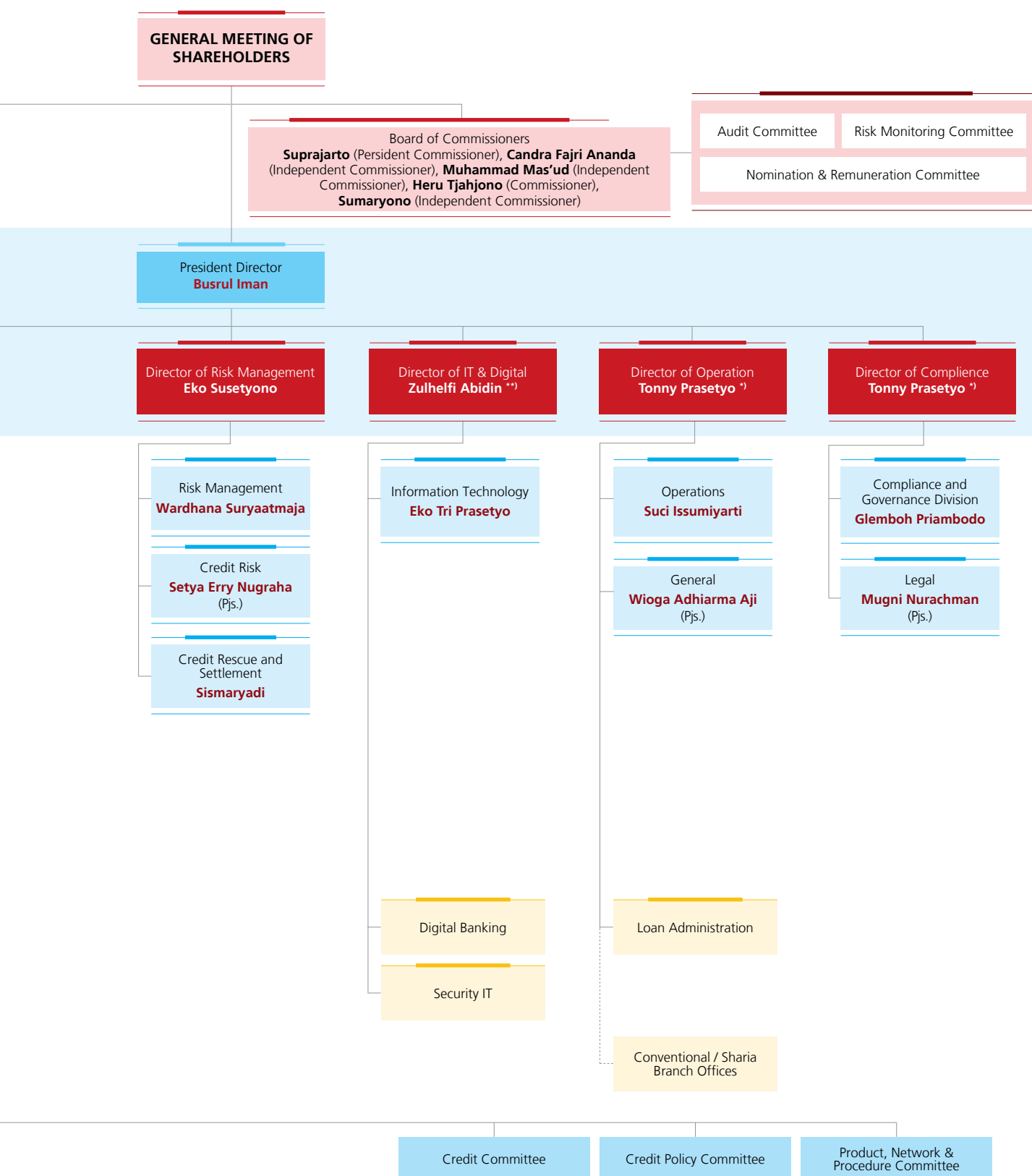
Along with the development of the Bank's business, the Organizational Structure of Bank Jatim has undergone several changes. Based on Directors Decree No. 061/218/DIR/PRS/KEP dated December 7, 2022, the following is the organizational structure of Bank Jatim as of December 31, 2022.



Committee members under the Board of Commissioners as of 31 December 2022 are as follows:

1. Audit Committee: Sumaryono (Chairman), Muhammad Mas'ud (Member), Candra Fajri Ananda (Member) dan Kusnadi (Member).
2. Remuneration and Nomination Committee: Muhammad Mas'ud (Chairman), Suprajarto (Member), Candra Fajri Ananda (Member), Sumaryono (Member), Haru Tjahjono (Member), dan Revi Adiana. S (Member).
3. Risk Monitoring Committee: Candra Fajri Ananda (Chairman), Muhammad Mas'ud (Member), Sumaryono (Member), Sulam Andjar Rochim (Member) dan Moch. Arifin (Member).

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



*) appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.

**) appointed concurrently as the Operation Director.

This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP dated December 13, 2022.



Profile of The Board of Directors

Busrul Iman

President Director



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Surabaya in 1964,
58 years old as of December 2022.



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 April 30, 2020.

Period of Office

- 2019 Until the closing of the Annual EGMS Year 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.

Bank Jatim Share Ownership

1.946.500 shares

Tonny Prasetyo

Director of Operation *)



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Malang in 1969,
53 years old as of December 2022.



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).
- General Banking Level 3 by the Banking Professional Certification Institute (2018).
- Level 5 Risk Management Certification by the Risk Management Certification Agency (2019).
- General Banking Level 3 by the Banking Professional Certification Institute (2022).
- Refreshment of General Banking Level III by the Indonesian Banking Development Institute (2022).

Work Experience

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

Legal Basis of Appointment

Appointed as Director of IT and Operations for the first time at the General Meeting of Shareholders (GMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 19 2019, Passed the Fit and Proper Test and was declared effective by the Financial Services Authority (OJK) as Director of Information Technology and Operations based on the Decree of Members of the Board of Commissioners of the Financial Services Authority (OJK) No. KEP-190/D.03/2019 October 11 2019. Then he was appointed Director of Operations based on the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on December 7 2022.

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

Bank Jatim Share Ownership

628.500 shares

*) appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.

**Edi Masrianto****Director of Finance, Treasury
& Global Services****Citizenship** : Indonesian citizens**Place and
Date of Birth/Age** : Born in Lumajang in 1964,
58 years old as of December 2022**Domicile** : Surabaya**Educational
Background**

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

Certification

- Advance Methods for Managing Interest Rate & Liquidity Risk oleh Euromoney Training (2004).
- Level 1 Risk Management Certification by the Risk Management Certification Agency (2006).
- Level 2 Risk Management Certification by the Risk Management Certification Agency (2009).
- Level 3 Risk Management Certification by the Banking Professional Certification Institute (2013).
- Risk Management Assessor Certification by BARA (2014).
- Funding Basic Certification by SPPI (2015).
- E-Learning RBB oleh BRI Corporate University (2016).
- Treasury Advance Certification by the Banking Professional Certification Institute (2017).
- Comparative Study: Recovery Plan by HSBC HK, Bank of Asia HK (2017).
- Leading the Organization in Transforming Industry oleh BRI Corporate University (2017).
- High Impact Leadership oleh Colombia University, Palisade USA (2018).
- Level 4 Risk Management Certification by the Banking Professional Certification Institute (2020).
- Level 5 Risk Management Certification by Garp (Global Association of Risk Professionals) Jakarta (2021).
- Level 5 Risk Management Certification by, Risk Management Certification Agency (2021).

Work Experience

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

**Legal Basis of
Appointment**

Appointed as Commercial and Corporate Director for the first time at the General Meeting of Shareholders (GMS) on March 17, 2022, Passed the Fit and Proper Test by the Financial Services Authority as Commercial and Corporate Director based on a copy of the Decree of Members of the Service Authority's Board of Commissioners Finance (OJK) No. KEP-4/D.03/2022 Dated January 19, 2022. Based on the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on December 7, 2022 there was a change to Director of Finance, Treasury & Global Services.

Period of Office

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

Double Function

Does not have concurrent positions in other companies or institutions

**Bank Jatim Share
Ownership**

Did not have shares in Bank Jatim

R. Arief Wicaksono

Director of Micro, Retail & Medium



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Banyuwangi in 1970.
52 years old as of December 2022.



Domicile : Surabaya

Educational Background

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

Certification

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

Work Experience

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

Legal Basis of Appointment

Appointed as Director of Consumer, Retail and Sharia Business for the first time at the General Meeting of Shareholders (GMS) on March 17, 2022, Passed the Fit and Proper Test by the Financial Services Authority as Director of Consumer, Retail and Sharia Business based on a copy Decree of Members of the Board of Commissioners of the Financial Services Authority No. KEP-3/D.03/2022 Dated January 19, 2022. There is a nomenclature change to Director of Micro, Retail & Medium based on the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on December 7, 2022.

Period of Office

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

Double Function

Does not have concurrent positions in other companies or institutions

Bank Jatim Share Ownership

126.300 shares



Eko Susetyono

Director of Risk Management



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Jakarta in 1965,
57 years old as of December 2022.



Domisili : Surabaya

Educational Background

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

Certification

- Certified in Enterprise Risk Governance (CERG), ERMA Professional Provisions Program (2016).
- Advanced Banking & Risk Management Program, Nan Yan Technological University, Singapore (2002).
- Financial Risk Management Summit, IQPC, Singapore (2003).
- Disaster Recovery and Business Continuity, FIK International, Kuala Lumpur (2004).
- GARP Annual Risk Management Summit, Hongkong (2005).
- Business Continuity Management, DRI, Singapore (2006).
- Operational Risk Management and Key Risk Indicator - TrueeventUS Bangkok (2012).
- Enterprise Risk Management and Value Creation - Euromoney Paris (2013).
- Assesor, Banking Risk Management Proficiency, BNSP (2014).
- Benchmarking and Workshop: ERM Program - CRM Indonesia London and Cambridge, Inggris (2016).
- Integrated Capital and Liquidity Management Workshop for Financial Conglomerations, OJK (2017).
- Intl CWM Program: In-house BRI Batch 1 (2019).
- Penyertaan Modal Negara: Antara Kepentingan sosial dan Finansial -LPPI (2021).
- Most Trusted Company, Majalah SWA (2021).
- Challenges and Opportunities for the Risk Management Profession in achieving Sustainable Finance Goals - IRMAPA (2022).
- RiskHub Internasional Webinar: The Rise of Modern Cyber Risk - RiskHub (2022)
- Hybrid Banking Ecosystem: The Key to Future Value Creation in Banking - Infobank Intitude (2022)
- GRC Summit Seminar - CRMS Indonesia (2022)

Work Experience

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

Legal Basis of Appointment

Appointed as Director of Risk Management for the first time at the Extraordinary General Meeting of Shareholders (EGMS) on December 7, 2022, passed the Fit and Proper Test by the Financial Services Authority as Director of Risk Management based on a copy of the Decree of Members of the Board of Commissioners of the Service Authority Finance No. KEP-185/D.03/2022) dated November 30, 2022.

Period of Office

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

Double Function

Does not have concurrent positions in other companies or institutions

Bank Jatim Share Ownership

Did not have shares in Bank Jatim

Zulhelfi Abidin

Director of IT and Digital **)



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Bukittinggi in 1962,
60 years old as of December 2022.



Domicile : Surabaya

Educational Background

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

Certification

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

Work Experience

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

Legal Basis of Appointment

Appointed as Director of IT & Digital for the first time at the Extraordinary General Meeting of Shareholders (EGMS) on December 7, 2022, Passed the Fit and Proper Test by the Financial Services Authority as Director of IT & Digital based on a copy of the Decree of the Members of the Board of Commissioners Financial Services Authority No. KEP-185/D.03/2022 dated November 30, 2022.

Period of Office

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

Double Function

Does not have concurrent positions in other companies or institutions

Bank Jatim Share Ownership

Did not have shares in Bank Jatim

**) appointed concurrently as the Operation Director.



Erdianto Sigit Cahyono

Director of Compliance and
Risk Management

(Stopped serving since the closing of the Extraordinary GMS on December 7, 2022)



Citizenship : Indonesian citizens



**Place and
Date of Birth/Age** : Born in Pasuruan in 1962,
60 years old as of December 2022.



Domicile : Surabaya



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 Bank Rakyat Indonesia (1995-1998).
- Head of Muara Enim Branch Palembang Regional Office (1998-2001).
- Head of Probolinggo Branch Surabaya Regional Office (2001-2003).
- Head of Jakarta Pasar Minggu Branch Jakarta Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2003-2006).
- Head of Surabaya Branch Kaliasin Surabaya Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2006-2009)
- Deputy Head of Service Division Head Office PT Bank Rakyat Indonesia (Persero) Tbk (2009-2010).
- Deputy Regional Manager for the Palembang Office of PT Bank Rakyat Indonesia (Persero) Tbk (2010-2011).
- Deputy Regional Manager for the Malang Office of PT Bank Rakyat Indonesia (Persero) Tbk (2011-2013).
- Inspector of PT Bank Rakyat Indonesia (Persero) Tbk Banjarmasin (2013-2014).
- Head of Micro Business Development Division Head Office PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015)
- Regional Head of Palembang Office PT Bank Rakyat Indonesia (Persero) Tbk (2015-2016).
- Director of PT Bank BRI Syariah (2016-2017).
- Inspector of PT Bank Rakyat Indonesia (Persero) Tbk Yogyakarta (2017-2018).
- Head of Internal Audit Jakarta Region I PT Bank Rakyat Indonesia (Persero) Tbk (2018-2019).
- Director of Compliance and Risk Management of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-2022).

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 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

Bank Jatim Share Ownership

588,100 shares as of November 30, 2022

Rizyana Mirda

Director of Business Risk

(Stopped serving since the closing of the Annual GMS for the 2021 Fiscal Year on March 17, 2022)



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Surabaya in 1969,
53 years old as of December 2022.



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 – 2019).
- Director of Business Risk at PT Bank Pembangunan Daerah Jawa Timur Tbk (2019-2022).

Legal Basis of Appointment

Appointed as Director of Risk Management for the first time at the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 15, 2017. Passed the Fit and Proper Test by the Financial Services Authority (OJK) as Director of Risk Management 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. Based on the Extraordinary General Meeting of Shareholders at the Extraordinary General Meeting of Shareholders of PT Bank Pembangunan Daerah Jawa Timur Tbk on June 19, 2019 there was a change to the Director of Business Risk 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.

Double Function

Does not have concurrent positions in other companies or institutions

Bank Jatim Share Ownership

3,699,333 shares as of February 28, 2022



Ferdian Timur Satyagraha

Director of Finance

(Resigned on January 14, 2022 and stopped serving on March 17, 2022)



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Surabaya in 1982, 40 years old as of December 2022.



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).
- Acting President Director of PT Bank Pembangunan Daerah Jawa Timur Tbk (2019– 2020)
- Acting Director of Operations and Changed the Position Nomenclature of the Board of Directors to Acting. Director of IT and Operations PT Bank Pembangunan Daerah Jawa Timur Tbk (2019 – 2019)
- Acting Director of Consumer, Retail and Sharia Business at PT Bank Pembangunan Daerah Jawa Timur Tbk (2020 - 2021).

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 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.

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

Period of Office

2017 – closing of the Annual GMS 2021

Double Function

Does not have concurrent positions in other companies or institutions

Bank Jatim Share Ownership

2,981,833 shares as of February 28, 2022

Affiliate Relations of Members of The Board Of Directors

Table of Directors Affiliation Relations

Financial Relations, Family and Board of Directors Management																
Name	Position	Financial Relations With						Family Relations With						Management Relations		
		Board of Commissioners		Directors		Controlling shareholders ^{*)}		Board of Commissioners		Directors		Controlling shareholders				
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	
Busrul Iman	President Director		√		√		√		√		√		√		√	
Tonny Prasetyo	Acting Compliance Director		√		√		√		√		√		√		√	
Edi Masrianto	Director of Finance, Treasury and Global Services		√		√		√		√		√		√		√	
R. Arief Wicaksono	Director of Micro, Retail and Medium		√		√		√		√		√		√		√	
Eko Susetyono	Director of Risk Management		√		√		√		√		√		√		√	
Zulhelfi Abidin	Director of IT and Digital		√		√		√		√		√		√		√	
Erdianto Sigit Cahyono ^{****)}	Director of Compliance and Risk Management		√		√		√		√		√		√		√	
Rizyana Mirda ^{***)}	Director of Business Risk		√		√		√		√		√		√		√	
Ferdian Timur Satyaagraha ^{**)}	Director of Finance		√		√		√		√		√		√		√	

^{*)} Direct or Indirect

^{**)} Resigned on January 14, 2022 and stopped serving on March 17, 2022

^{***)} Stopped serving since the closing of the Annual GMS for the 2021 Fiscal Year on March 17, 2022

^{****)} Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

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

During 2022, there was a change in the composition of the members of the Board of Directors. Changes in the composition of members of the Board of Directors were made based on the needs of the Bank. Changes in the composition of the members of the Board of Directors are as follows:

Composition of The Board of Directors Before The Annual GMS for Financial Year 2021

The composition of the Board of Directors of Bank Jatim prior to the 2021 Annual GMS was 5 (five) people consisting of 1 (one) Main Director and 4 (four) Directors. All Directors were domiciled in East Java Province. The composition and basis for the appointment of the Board of Directors can be seen in the table below.

Table of Composition and Basis for Appointment of the Board of Directors before the 2021 Annual GMS

Name	Position	Executor	Basis of Appointment	Effective date
Busrul Iman	President Director	OJK	Extraordinary GMS on July 23, 2020	April 30, 2020
Rizyana Mirda	Director of Business Risk	OJK	Extraordinary GMS on June 15, 2017	September 29, 2017
Tonny Prasetyo	Director of IT and Operation	OJK	Extraordinary GMS on June 19, 2019	October 11, 2019
Ferdian Timur Satyagraha	Director of Finance	OJK	Extraordinary GMS on June 15, 2017	December 22, 2017
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	OJK	Extraordinary GMS on June 19, 2019	October 11, 2019



Composition of The Board of Directors After The Annual GMS for Financial Year 2021

On March 17, 2022, the 2021 Annual GMS decided to change the composition of the Bank's management as follows:

1. Approved and appointed:
 - a. Commercial and Corporate Director: Edi Masrianto;
 - b. Director of Consumer Retail and Sharia Business: R. Arief Wicaksono.
2. Honorably dismissed members of the Board of Directors, namely:
 - a. Business Risk Director: Rizyana Mirza;
 - b. Finance Director: Ferdian Timur Satyagraha.

Thus, the composition of the Board of Directors of Bank Jatim after the Annual GMS for the 2021 Fiscal Year was 5 (five) people consisting of 1 (one) Main Director and 4 (four) Directors. All Directors were domiciled in East Java Province. The composition and basis for the appointment of the Board of Directors can be seen in the table below.

Table of Composition and Basis for Appointment of the Board of Directors after the 2021 Annual GMS

Name	Position	Executor	Basis of Appointment	Effective date
Busrul Iman	President Director	OJK	Extraordinary GMS on July 23, 2020	July 23, 2020
Tonny Prasetyo	Director of IT and Operation	OJK	Extraordinary GMS on June 19, 2019	October 11, 2019
Erdianto Sigit Cahyono	Director of Compliance and Risk Management	OJK	Extraordinary GMS on June 19, 2019	October 11, 2019
Edi Masrianto	Director of Commercial and Corporate	OJK	Extraordinary GMS on March 17, 2022	March 17, 2022
R. Arief Wicaksono	Director of Consumer Retail and Sharia Business	OJK	Extraordinary GMS on March 17, 2022	March 17, 2022

Composition of The Board of Directors After The Extraordinary GMS 2022

On December 7, 2022, the 2022 Extraordinary GMS decided to change the composition of the Bank's management as follows:

1. Approved and appointed:
 - a. IT and Digital Director: Zulhelfi Abidin;
 - b. Risk Management Director: Eko Susetyono.
2. Respectfully dismissed Erdianto Sigit Cahyono as Director of Compliance and Risk Management

Thus, the composition of the Board of Directors of Bank Jatim after the 2022 Extraordinary GMS was 6 (six) people consisting of 1 (one) Main Director and 5 (five) Directors. All Directors were domiciled in East Java Province. Based on these changes, the composition of the Board of Directors was adjusted to changes in the nomenclature of the Board of Directors in the Bank's Organizational Structure, namely as follows:

Table of Composition and Basis for Appointment of the Board of Directors after the 2022 Extraordinary GMS

Name	Position	Executor	Basis of Appointment	Effective date
Busrul Iman	President Director	OJK	Extraordinary GMS on July 23, 2020	July 23, 2020
Tonny Prasetyo ^{*)}	Director of Operations	OJK	Extraordinary GMS on June 19, 2019	October 11, 2019
Edi Masrianto	Director of Finance, Treasury & Global Services	OJK	Extraordinary GMS on March 17, 2022	March 17, 2022
R. Arief Wicaksono	Director of Micro, Retail and Medium	OJK	Extraordinary GMS on March 17, 2022	March 17, 2022
Zulhelfi Abidin ^{**)}	Director of IT and Digital concurrently as the Operation Director	OJK	Extraordinary GMS on December 7, 2022	December 7, 2022
Eko Susetyono	Director of Risk Management	OJK	Extraordinary GMS on December 7, 2022	December 7, 2022

^{*)} appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.

^{**)} appointed concurrently as the Operation Director.

This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP dated December 13, 2022.

Profile of The Board of Commissioners

Suprajarto

President Commissioner



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Yogyakarta in 1956, 66 years old as of December 2022.



Domicile : Jakarta

Educational Background

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

Certification

Risk management certification refreshment program (2022).

Work Experience

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

Legal Basis of Appointment

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

Period of Office

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

Double Function

Member of the Remuneration & Nomination Committee (2022 – closing of the 2023 annual GMS).

Bank Jatim Share Ownership

Did not have shares in Bank Jatim



Heru Tjahjono

Commissioner



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Yogyakarta in 1961, 61 years old as of December 2022.



Domicile : Malang

Educational Background

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

Certification

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

Work Experience

- Acting Head of Physical and Infrastructure Division of Bappeda Tulungagung Regency (1997).
- Acting Head of the Tulungagung District DPUD (1997–2001).
- Acting Head of the PPW Public Works Sub-Department of Tulungagung Regency (2001–2003).
- Regent of Tulungagung Regency (2003–2013). • Staff of the Governor of East Java Province (2013–2014).
- Head of the Department of Fisheries and Marine Affairs of East Java Province (2014–2016).
- Head of the Department of Marine Affairs and Fisheries of East Java Province (2016–2018).
- Regional Secretary of East Java Province (2018–2022).
- 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 & Nomination Committee (2022 – closing of the 2023 annual GMS)

Bank Jatim Share Ownership

274.200 shares

Candra Fajri Ananda

Independent Commissioner



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Lumajang in 1964, 58 years old as of December 2022.



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

- Board of Commissioners Level 2 Risk Management Certification held by the Risk Management Certification Agency on (2018).
- Risk management certification refreshment program (2022).

Work Experience

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

Legal Basis of Appointment

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

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

Period of Office

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

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

Double Function

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim



Muhammad Mas'ud

Independent Commissioner



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Sidoarjo in 1964,
58 years old as of December 2022.



Domicile : Malang

Educational Background

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

Certification

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

Work Experience

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

Legal Basis of Appointment

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

Period of Office

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

Double Function

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

Sumaryono

Independent Commissioner



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Blitar in 1960, 62 years old as of December 2022.



Domicile : Surabaya

Educational Background

- Bachelor of Business Administration from Brawijaya University (1979).

Certification

- Risk management certification refreshment program (2022)

Work Experience

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

Legal Basis of Appointment

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

Period of Office

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

Double Function

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

Affiliate Relations of Members of The Board of Commissioners

Table of Affiliation of the Board of Commissioners

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

* Direct or indirect

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

During 2022, there was a change in the composition of the members of the Board of Commissioners. Changes in the composition of the members of the Board of Commissioners were made based on the needs of the Bank. Changes in the composition of the members of the Board of Commissioners are as follows:

Composition of The Board of Commissioners Before The Annual GMS for The Fiscal Year 2021

The composition of the Board of Commissioners prior to the 2021 Annual GMS was 3 (three) people consisting of 2 (two) Independent Commissioners and 1 (one) Commissioner. The entire Board of Commissioners was domiciled in East Java Province. The composition and basis for the appointment of the Board of Commissioners can be seen in the table below.

Table of Composition and Basis of Appointment of the Board of Commissioners Before the Annual GMS for Fiscal Year 2021

Name	Position	Executor	Basis of Appointment	Effective date
Candra Fajri Ananda	Independent Commissioner	OJK	Extraordinary GMS on February 20, 2018	September 18, 2018
Muhammad Mas'ud	Independent Commissioner	OJK	Extraordinary GMS on July 19, 2019	October 11, 2019
Heru Tjahjono	Commissioner	OJK	Extraordinary GMS on July 19, 2019	October 11, 2019

Composition of The Board of Commissioners after The Annual GMS for The Fiscal Year 2021

On March 17, 2022, the 2021 Annual GMS approved and appointed members of the Board of Commissioners, namely Suprajarto as Main Commissioner and Sumaryono as Independent Commissioner. So that the composition of the Board of Commissioners after the 2021 Annual GMS was 5 (five) people consisting of 1 (one) Main Commissioner, 3 (three) Independent Commissioners and 1 (one) Commissioner. The entire Board of Commissioners was domiciled in East Java Province. The composition and basis for the appointment of the Board of Commissioners can be seen in the table below.

Table of Composition and Basis of Appointment of the Board of Commissioners after the Annual GMS for Fiscal Year 2021

Name	Position	Executor	Basis of Appointment	Effective date
Suprajarto	Independent Commissioner	OJK	Annual GMS on March 17, 2022	March 17, 2022
Candra Fajri Ananda	Independent Commissioner	OJK	Annual GMS on February 20, 2018	September 18, 2018
Muhammad Mas'ud	Independent Commissioner	OJK	Extraordinary GMS on July 19, 2019	October 11, 2019
Sumaryono	Independent Commissioner	OJK	Annual GMS on March 17, 2022	March 17, 2022
Heru Tjahjono	Commissioner	OJK	Extraordinary GMS on July 19, 2019	October 11, 2019

Profile of

The Board of Sharia Supervisory

Dr (HC) 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 67 as of December 2022.



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).
- Deputy Rais Aam Executive Board of Nahdlatul Ulama (2022 – 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 Annual GMS for Fiscal Year 2022 (First Period)

Double Function

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim



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

Member of
Sharia Supervisory Board



Citizenship : Indonesian citizens



Place and Date of Birth/Age : Born in Mojokerto in 1954, age 68 as of December 2022.



Domisili : 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).
- Muhammadiyah Central Executive (2022 – 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 Annual GMS for Fiscal Year 2022 (First Period)

Double Function

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

Bank Jatim Share Ownership

Do not have shares in Bank Jatim

Sharia Supervisory Board Members Affiliate Relations

Table of Affiliation of the Sharia Supervisory Board

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

* Direct or indirect

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. In 2022 there was no change in the composition of the Sharia Supervisory Board. 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	OJK	2018 Fiscal Year GMS on April 26, 2019	February 28, 2020
Dr. H. M. Saad Ibrahim, MA	Mem-ber	OJK	2018 Fiscal Year GMS on April 26, 2019	February 28, 2020



Profile of Division Head

(Executive Officer)



Budi Sumarsono

Head of
Corporate Secretary

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Madiun in 1966, 56 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Finance from Muhammadiyah University (1992). • Master of Law from Merdeka University (1999). • Master of Management from Widya Jayakarta University (2000).
Position History and Basis of Appointment	: Since 2022 he served as Head of Corporate Secretary based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022
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), Head of Strategic Planning and Performance Management Division (2021).



J. Koento E. Pramono

Head of Funds and
Services Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Surabaya in 1967. 55 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Law UNTAG 45 (2000). • Master of Law UNTAG 45 (2020). • Masters in Management at Univ Narotama (2020).
Position History and Basis of Appointment	: Since 2022, he served as Head of the Funds and Services Division based on Directors' Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
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). Head of Law Division (2021).



Umi Rodiyah

Head of
Treasury Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Probolinggo in 1966, 56 years old as of December 2022.
Educational Background	: Bachelor of State Administration from Brawijaya University (1991).
Position History and Basis of Appointment	: Since 2022 he served as Head of the Treasury Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
Work History	: He joined Bank Jatim in 1994. Prior to occupying his current position, he served as Branch Head of Operations. Probolinggo (2009), Branch Leader. Perak (2010), Head of the Foreign Sub-Division of the Fund Services and Foreign Affairs Division (2015), Head of the Main Branch Business Sector (2016), Head of Operational Main Branch (2017), Corporate Secretary (2018), Head of Institutional Relations and Business Division (2018), Head of Funds and Services Division (2020), Head of Corporate Secretary (2021).



Rachman Subiyantoro

Head of
Consumer Credit Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Sumenep in 1969, 53 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> Bachelor of Administrative Sciences from Wiraraja Sumenep University (1997). Master of Law University 17 Agustus 1945 Surabaya (2020).
Position History and Basis of Appointment	: Since 2022 he served as Head of the Consumer Credit Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
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), Head of Funds and Services Division (2021)

**Nur Eko Ardian****Head of Accounting and
Financial Management Division**

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Surabaya in 1980, 42 years old as of December 2022.
Educational Background	<ul style="list-style-type: none"> • Bachelor of State Administration from Wijaya Putra University (2003). • Master of State Administration from Wijaya Putra University (2005).
Position History and Basis of Appointment	<ul style="list-style-type: none"> • 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. • Changes in the Organizational Structure from the Financial Control Division to the Accounting and Financial Management Division in accordance with Directors Decree no. 061/218/DIR/PRS/KEP concerning the Organizational Structure and Working Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk dated December 07, 2022.
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
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Surabaya in 1981, 41 years old as of December 2022.
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)
Position History and Basis of Appointment	<ul style="list-style-type: none"> • 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).



Suci Issumiyarti

Head of
Operations Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Semarang in 1966, 56 years old as of December 2022.
Educational Background	: Bachelor of French from the Semarang State Teacher Training and Education Institute (1989).
Position History and Basis of Appointment	: Since 2022 he served as Head of the Operations Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
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). Head of the Enterprise Risk Management Division (2021).



Glemboh Priambodo

Head of
Compliance & Governance Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Malang in 1970, 52 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Law from the University of Surabaya (1997). • Master of Law from 17 August University Surabaya (2001). • Master of Management from STIE ABI Surabaya (2003). • Doctor of Law from Seventeen August University 1945 (2022).
Position History and Basis of Appointment	: Since 2022 he served as Head of the Compliance & Governance Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
Work History	: He joined Bank Jatim in 1997. Prior to occupying his current position, he served as Senior Analyst for External Communication Sub Division (2015), Senior Analyst for Priority Banking Sub Division (2015), Acting Branch Manager Dr. Soetomo (2016), Branch Manager Dr. Soetomo (2017), Head of Corporate Secretary (2018), Head of Bank Jatim Main Branch (2021).

**Wardhana Suryaatmaja****Head of
Risk Management Division**

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Surabaya in 1967, 55 years old as of December 2022.
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)
Position History and Basis of Appointment	<ul style="list-style-type: none"> • Since 2022, he served as the Head of the Company's Risk Management Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022. • Changes in the Organizational Structure from the Company's Risk Management Division to the Risk Management Division in accordance with Directors Decree no. 061/218/DIR/PRS/KEP concerning the Organizational Structure and Working Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk dated December 07, 2022.
Work History	<p>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), Head of General Division (2019)</p>

**Sismaryadi****Head of
Credit Rescue and Settlement Division**

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Boyolali in 1966. 56 years old as of December 2022.
Educational Background	<ul style="list-style-type: none"> • Bachelor of Economics from the Artha Bodhi Iswara College of Economics, Surabaya (2001). • Master of Management from the Jakarta Imni College of Management (2005).
Position History and Basis of Appointment	<p>Since 2022 he served as Head of the Credit Recovery and Settlement Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.</p>
Work History	<p>Joined Bank Jatim in 1986. Before his current position, he served as Head of Gresik Branch Operations (2013), Trenggalek Branch Manager (2015), Head of Agribusiness and Retail Credit Sub Division (2017), Head of Consumer Credit Division (2018)</p>



Ratna Hastutik

Head of
Internal Audit Division

Citizenship	: Indonesian citizens
Domicile	: Sidoarjo
Place and Date of Birth/Age	: Born in Bojonegoro in 1965, 57 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Psychology, UPB, Surabaya (1990) • Master of Law, Universitas 17 Agustus – Surabaya (2020)
Position History and Basis of Appointment	: Since 2021 he served as Head of the Internal Audit Division based on Directors Decree No. 060/319/DIR/HCP/KEP dated December 31, 2021.
Work History	: Shee joined Bank Jatim in 1994. Prior to occupying his current position, he served as Branch Leader of Operations Sampang (2010), Branch Leader of Ngawi (2014), Branch Leader of Madison (2017).



RM Wahyukusumo Wisnubroto

Head of Strategic Planning
and Performance Management Division

Citizenship	: Indonesian citizens
Domicile	: Sidoarjo
Place and Date of Birth/Age	: Born in Yogyakarta in 1972, 50 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Civil Engineering from Bandung Institute of Technology (1998). • Master of Management from Gadjah Mada University (2001).
Position History and Basis of Appointment	: Since 2022, he served as Head of the Strategic Planning and Performance Management Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
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), Head of Treasury Division (2018)

**Revi Adiana Silawati****Head of the
Human Capital Division**

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Solo in 1966, 56 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Management from Wijaya Putra University (1996). • Master of Management from Airlangga University (1998).
Position History and 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).

**Wioga Adhiarma Aji****Acting Head of
General Division**

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Surabaya in 1978, 44 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Law Studies from Panca Marga University, Probolinggo (2002). • Master of Law from the University of 17 August 1945 Surabaya (2020).
Position History and Basis of Appointment	: Since 2022 he served as Acting. Head of the General Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
Work History	: He joined Bank Jatim in 1997. Prior to occupying his current position, he had served as Head of Operations for the Bojonegoro Branch (2012), Head of the Bojonegoro Branch (2013), Head of Operations for the Main Branch (2018), Head of the Kediri Branch (2020).



Setya Erry Nugraha

Acting Head of
Credit Risk Division

Citizenship	: Indonesian citizens
Domicile	: Malang
Place and Date of Birth/Age	: Born in Serang in 1978, 44 years old as of December 2022.
Educational Background	: Bachelor of Management Economics from STIE IEU Yogyakarta (2001).
Position History and Basis of Appointment	<ul style="list-style-type: none"> • Since 2022 he served as Acting. Head of Business Risk Division based on Directors Decree No. 061/088/DIR/HCP/KEP dated June 2, 2022. • Changes in the Organizational Structure from the Business Risk Division to the Credit Risk Division in accordance with Directors Decree no. 061/218/DIR/PRS/KEP concerning the Organizational Structure and Working Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk dated December 07, 2022.
Work History	He joined Bank Jatim in 2015. Prior to occupying his current position, he served as Branch Manager of Perak (2015), Head of HR Branch. Muhammad (2015), Head of Pare Branch (2017), Head of Sub Division of Medium Credit for Syndicated Corporations (2019), Head of Credit for Main Branch (2020).



Mukhlison

Acting Head of
Commercial, Corporate and Syndicated Credit Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Jombang in 1974. 48 years old as of December 2022.
Educational Background	: Bachelor of Economics from Wijaya Putra University, Surabaya (2001).
Position History and Basis of Appointment	Since 2022 he served as Acting Head of the Commercial, Corporate and Syndicated Credit Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
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), Pgs. Head of Commercial, Corporate and Syndicated Credit Division (2021).

**Firman Iswahyudi M****Pgs. Head of
Micro, Retail and Medium Credit Division**

Citizenship	: Indonesian citizens
Domicile	: Sidoarjo
Place and Date of Birth/Age	: Born in Purworejo in 1968, 54 years old as of 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Economics from Putra Bangsa University Surabaya (1996). • Master of Management from STIESIA University Surabaya (2002). • Doctor of Economics – Strategic Management from STIESIA University Surabaya (2018).
Position History and Basis of Appointment	: Since 2022 he served as Acting. Head of Micro, Retail and Medium Credit Division based on Letter No. 061/1716/HCP/OHC/PGS dated 29 June 2022.
Work History	: He joined Bank Jatim in 1991. Prior to occupying his current position, he served as Acting. Head of Medium & Corporate Credit Sub Division Corporate Credit Division (2014), Head of Medium & Corporate Credit Sub Division Corporate Credit Division (2015), Head of Trinisat Sub Division (2015), Head of Property Credit Sub Division Consumer Credit Division (2017), Branch Head HR Muhammad (2019), Pamekasan Branch Manager (2020), Gresik Branch Manager (2021).

**Mugni Nurachman****Acting Head of
the Legal Division**

Citizenship	: Indonesian citizens
Domicile	: Nganjuk
Place and Date of Birth/Age	: Born in Jakarta in 1971, 51 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Law, Yogyakarta Islamic University of Indonesia (1995). • Master of Program Management at Wijaya Putra University (2006).
Position History and Basis of Appointment	: Since 2022 he served as the Acting Head of the Legal Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
Work History	: He joined Bank Jatim in 1997. Prior to occupying his current position, he served as Head of the Merican Sub-Branch Office, Kediri Branch (2014), Senior Analyst for Legal Group Litigation Legal Division (2016), Acting. Head of Legal Litigation Sub Division, Legal Division (2018), Head of Legal Litigation Sub Division, Legal Division (2018), Head of Jombang Branch (2020), Head of Legal Litigation Sub Division, Legal Division (2021).



M. Pramudya Iskandar

Acting Head of
Sharia Business Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Sukabumi in 1968, 54 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> • Bachelor of Economics and Development Studies from Padjadjaran University (UNPAD) Bandung (1992). • Master of Management from Gajah Mada University (UGM) Yogyakarta (1999).
Position History and Basis of Appointment	: Since 2022 he served as Acting Head of Sharia Business Division based on Letter No. 061/757/HCP/OHC/PGS dated March 17, 2022.
Work History	: He joined Bank Jatim in 2009. Prior to occupying his current position, he served as Branch Leader of Sharia Surabaya (2009) and Head of Sub Division of Sharia Business Unit Financing (2016).

Employee Profile

Number of Employees by Gender

Table of Number of Employees by Gender (in person)

Gender	2022	2021
Male	2.436	2.482
Female	1.932	1.933
Total	4.368	4.415

Number of Employees by Position Level

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

Position Level	2022			2021		
	Male	Female	Total	Male	Female	Total
NO	260	3	263	284	3	287
S, C & T	1.491	1.332	2.823	1.529	1.327	2.856
PII, Pngl, PK, Au, ARM dan An	445	433	878	435	438	873
PBO, PCP, S.Au & RM	150	128	278	146	131	277
PSD, PC & PB	74	32	106	74	29	103
PD & PCU	16	4	20	15	4	19
Total	2.370	1.896	4.368	2.483	1.932	4.415

Description:
NO Non Administration
S, C, & T Staff, Prospective Employees and Employment Contract Workers
PII Supervisor
PK Head of Cash Office
Au Auditor
ARM Assistant Relation Manager
An Analyst
PBO Head of Operations
Pngl Manager

PCP Sub-Branch Leader
S.Au Senior Auditor
RM Relationship Manager
PSD Head of Sub Division
PC Head of Branch
PB Head of Field
PD Head of Division
PCU Head of Main Branch

Number of Employees by Range of Age

Table of Number of Employees by Range of Age

(in person)

Range of Age	2022			2021		
	Male	Female	Total	Male	Female	Total
< 30 Years Old	215	300	515	285	400	677
30-54 Years Old	2.119	1.578	3.697	2.044	1.456	3.500
> 54 Years Old	102	54	156	153	77	175
Total	2.436	1.932	4.368	2.482	1.933	4.415

Number of Employees by Education Level

Table of Number of Employees by Education Level

(in person)

Education Level	2022			2021		
	Male	Female	Total	Male	Female	Total
Non Strata	266	144	410	363	237	600
S1	1.984	1.672	3.656	1.995	1.611	3.606
S2	183	116	299	122	85	207
S3	3	0	3	2	0	2
Total	2.436	1.932	4.368	2.482	1.933	4.415

Number of Employees by Employment Status

Table of Number of Employees by Employment Status

(in person)

Employment Status	2022			2021		
	Male	Female	Total	Male	Female	Total
Permanent employees	2.370	1.896	4.266	2.315	1.692	4.007
Temporary employees	66	36	102	168	240	408
Outsourcing	1.808	374	2.182	1.707	346	2.053
Total	4.244	2.306	6.550	4.190	2.278	6.468



Shareholders

Composition

Table of Bank Jatim Shareholder Composition as of January 1, 2022

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%

Shareholders	Share Ownership Structure		
	Number of Shares	Value (IDR)	Ownership
Pamekasan Regency	40.592.928	10.148.232.000	0,27%
Sumenep Regency	144.228.431	36.057.107.750	0,96%
Bangkalan Regency	36.793.459	9.198.364.750	0,25%
Sampang Regency	101.175.235	25.293.808.750	0,67%
SERIES B SHARES			
Public	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, 2022 has not changed with the same composition as of January 1, 2022.

Composition of 20 Largest Shareholders

Table of Composition of the 20 Largest Shareholders of Bank Jatim as of January 1, 2022

No.	Shareholders	Status	Number of Shares	Ownership
1	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	Institution - Foreign	205.711.100	6,68%
2	CITIBANK LONDON S/A MUTUAL FUND EQ EMERGING DIVIDEND (UCITS)	Institution - Foreign	200.000.000	6,49%
3	PT MNC SEKURITAS	Individual Indonesia	130.154.300	4,22%
4	THE NT TST CO S/A CIM INVESTMENT FUND ICAV	Institution - Foreign	93.000.000	3,02%
5	BBH LUXEMBOURG S/A FIDELITY FD, SICAV-INDONESIA FD	Institution - Foreign	70.599.700	2,29%
6	STATE STREET BANK-GOLDMAN SACHS FUNDS	Institution - Foreign	63.786.500	2,07%
7	STATE STREET BANK-BERNSTEIN FUND, INC. - INTERNATIONAL SMALL CAP PORTFOLIO	Institution - Foreign	59.838.000	1,94%
8	PT KOREA INVESTMENT AND SEKURITAS INDONESIA	Individual Indonesia	57.977.100	1,88%
9	PT YULIE SEKURITAS INDONESIA TBK	Perseroan Terbatas	48.114.226	1,56%
10	BNYM RE ACADIAN EM MKTS SM ALL CAP EQ FD LLC-2039925167	Individual Indonesia	44.778.490	1,45%
11	PT MIRAE ASSET SEKURITAS INDONESIA	Individual Indonesia	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	Individual Indonesia	36.010.000	1,17%
14	STATE STREET BANK-WISDOMTREE EMERGING MARKETS SMALLCAP DIVIDEND FUND	Institution - Foreign	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	Insurance	30.739.000	1,00%
18	CITIBANK NEW YORK S/A EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV DIMENSIONS GRP INC.	Institution - Foreign	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%
Total			973.959.416	31,61%

Table of Composition of the 20 Largest Shareholders of Bank Jatim as of December 31, 2022

No.	Shareholders	Status	Number of Shares	Ownership
1	PT TASPEN (ASURANSI) - AFS	Limited Company	305.061.900	9,90%
2	PT MNC SEKURITAS	Individual Indonesia	134.810.700	4,38%
3	CITIBANK LONDON S/A MUTUAL FUND EQ EMERGING DIVIDEND (UCITS)	Institution - Foreign	130.000.000	4,22%
4	PT TASPEN	Limited Company	109.442.800	3,55%
5	PT YULIE SEKURITAS INDONESIA TBK	Limited Company	103.283.026	3,35%
6	BBH LUXEMBOURG S/A FIDELITY FUNDS, SICAV-INDONESIA FD	Institution - Foreign	73.442.300	2,38%
7	STATE STREET BANK-GOLDMAN SACHS FUNDS	Institution - Foreign	63.786.500	2,07%
8	PT KOREA INVESTMENT AND SEKURITAS INDONESIA	Individual Indonesia	57.573.900	1,87%
9	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 16	Institution - Foreign	49.000.000	1,59%
10	STATE STREET BANK-BERNSTEIN FUND, INC.- INTERNATIONAL SMALL CAP PORTFOLIO	Institution - Foreign	47.991.500	1,56%
11	BNYM RE ACADIAN EM MKTS SM ALL CAP EQ FD LLC-2039925167	Institution - Foreign	44.014.890	1,43%
12	PT MIRAE ASSET SEKURITAS INDONESIA	Individual Indonesia	42.574.100	1,38%
13	BNYM RE GOLDMAN SACHS TRUST-GS EM MAR EQ INS FD-2039927833	Institution - Foreign	39.513.600	1,28%
14	PT INDO PREMIER SEKURITAS	Individual Indonesia	35.881.800	1,16%
15	CITIBANK NEW YORK S/A EMERGING MARKETS CORE EQUITY PORTFOLIO OF DFA INV DIMENSIONS GRP INC.	Institution - Foreign	31.858.200	1,03%
16	STATE STREET BANK-ISHARES MSCI INDONESIA ETF	Institution - Foreign	30.746.400	1,00%
17	DZ PRIVATBANK S/A CH GALILEO ASIA FUND	Institution - Foreign	28.898.900	0,94%
18	BNYM RE ENSIGN PEAK ADV, INC.-2039925380	Institution - Foreign	26.737.100	0,87%
19	STATE STREET BANK-CALIFORNIA STATE TEACHERS RETIREMENT SYSTEM	Institution - Foreign	24.239.300	0,79%
20	CITIBANK NEW YORK S/A GEORGETOWN EMERGING MARKETS FUND SPC LIMITED-SIERRA DORADA FUND SP	Institution - Foreign	23.523.900	0,76%
Total			1.402.380.816	45,51%

Composition of Shareholders 5% or More

Table of Shareholder Composition of 5% or More Bank Jatim as of January 1, 2022

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, 2022 does not change with the same composition as on January 1, 2022.

Composition of Public Shareholders Less than 5%

Table of Composition of Public Shareholders of Less than 5% of Bank Jatim as of January 1, 2022

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%

Table of Composition of Public Shareholders Less than 5% of Bank Jatim as of December 31, 2022

Public Share Ownership	Number of Shareholders	Number of Shares	Ownership
LOKAL			
Individual	54.693	1.404.961.407	9,35674%
Regional government	39	11.934.147.982	79,47887%
Foundation	2	1.257.900	0,00838%
Pension fund	13	422.439.100	2,81335%
Insurance	3	16.139.100	0,10748%
Employee*	1	727.500	0,00484%
Incorporated Company	53	186.270.109	1,24052%
Mutual Fund	6	16.125.996	0,10740%
Sub Total	54.810	13.982.069.094	93,11758%
FOREIGN			
Individual	14	1.051.100	0,00700%
Foreign Business Entity	161	1.032.377.888	6,87542%
Sub Total	175	1.033.428.988	6,88242%
TOTAL	54.985	15.015.498.082	100%

*As of December 31, 2022, employees of Bank Jatim do not own indirect shares.

Share Ownership of Directors and Board of Commissioners

Table of Share Ownership of the Directors and Board of Commissioners of Bank Jatim as of January 1, 2022

No.	Name	Position	Number of Shares	Ownership
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 Management	305.600	0,0020352%
BOARD OF COMMISSIONERS				
1.	Candra Fajri Ananda	Independent Commissioner	-	-
2.	Muhammad Mas'ud	Independent Commissioner	-	-
3.	Heru Tjahjono	Commissioner	141.400	0,0009417%
TOTAL			8.630.566	0,0574778%

*) Resigned on January 14, 2022 and stopped serving on March 17, 2022

**) Stopped serving since the closing of the Annual GMS for the 2021 Fiscal Year on March 17, 2022

***) Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

Table of Share Ownership of the Directors and Board of Commissioners of Bank Jatim as of December 31, 2022

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

*) appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.

**) appointed at the Annual GMS for the 2021 Fiscal Year on March 17, 2022.

***) appointed at the Extraordinary GMS on 7 December 2022 and appointed concurrently as the Operation Director.

****) appointed at the Extraordinary GMS on 7 December 2022.

As of December 31, 2022, the Board of Commissioners and Board of Directors of Bank Jatim do not have indirect share ownership.

Classification of Shareholders

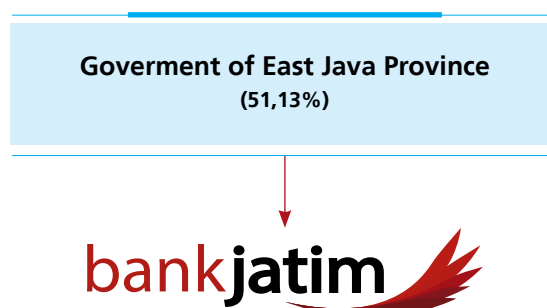
Table of Classification of Bank Jatim Shareholders as of December 31, 2022

Share Ownership	Number of Shareholders	Number of Shares	Ownership
Local Institution	117	12.577.107.687	83,76084%
Foreign Institution	161	1.032.377.888	6,87542%
Local Individual	54.693	1.404.961.407	9,35674%
Foreign Individual	14	1.051.100	0,00700%
Total	54.985	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.



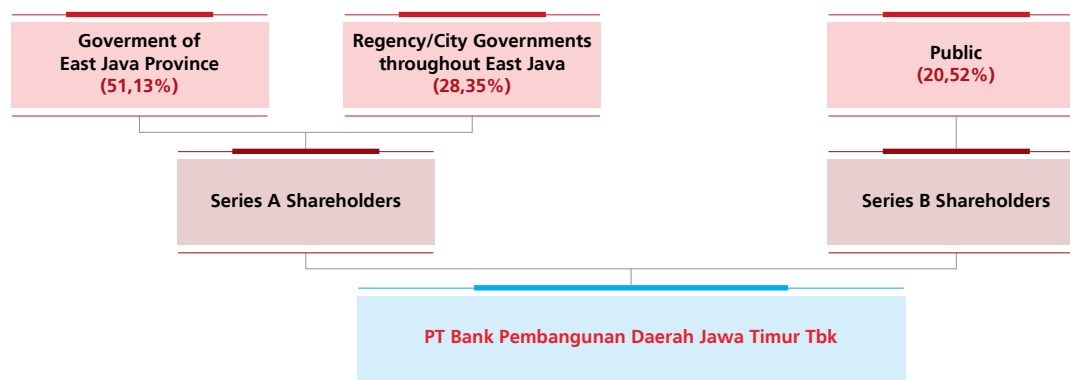
List of Subsidiaries, Associated Entities and Joint Venture Company

As of December 31, 2022, 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, 2022, Bank Jatim does not have any Subsidiaries, Associated Entities, Joint Ventures, and Special Purpose Vehicles (SPV).

Association Membership List

As a financial services institution, Bank Jatim joined and was active in various associations or institutions that are relevant to the Bank's main business. Thus, the Bank could follow the latest developments, issues or topics, as well as exchange information and provide suggestions/inputs for mutual progress. During 2022, Bank Jatim joined the following associations/institutions:

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

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 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.

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

The MESOP Phase I Program was implemented from August 1, 2016 to September 13, 2016, February 1, 2017 to March 13, 2017, August 1, 2017 to September 13, 2017, and February 1, 2018 to March 15, 2018, August 1, 2018 to September 14, 2018, February 1, 2019 to March 18, 2019, and August 1, 2019 to September 11, 2019. The MESOP Phase II Program was implemented from August 1, 2017 to November 13, 2017, and February 1, 2018 to March 15, 2018, August 1, 2018 to September 14, 2018, February 1, 2019 to March 18, 2019, August 1, 2019 to September 11, 2019, and February 3, 2020 to March 16, 2020. MESOP Program Phase III has been carried out on August 1, 2018 to September 14, 2018, February 1, 2019 to March 18, 2019, August 1, 2019 to September 11, 2019, and February 3, 2020 to 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)	Number of Shares Issued (share)	Issued and Paid Up Capital		
							Number of shares (share)	Total value Nominal (IDR)	Total Bid Price (IDR)
1.	Before IPO	-	-	-	-	-	-	-	-
2.	2012	Initial Public Offering	Series B Shares	250	430	2.983.537.000	14.917.684.982	3.729.421.245.500	1.282.920.910.000
3.	2016	MESOP Windows Exercise II 2016	Series B Shares	250	450	27.372.600	14.945.057.582	3.736.264.395.500	12.317.670.000
4.	2017	MESOP Windows Exercise I 2017	Series B Shares	250	450	1.241.600	14.946.299.182	3.736.574.795.500	558.720.000
5.		MESOP Windows Exercise II 2017	Series B Shares	250	409	26.491.700	14.974.591.382	3.743.647.845.500	10.835.105.300



No.	Period	Information	Stock	Nominal Value (IDR)	Offer Price (IDR)	Number of Shares Issued (share)	Issued and Paid Up Capital		
							Number of shares (share)	Total value Nominal (IDR)	Total Bid Price (IDR)
6.	2018	MESOP Windows Exercise I 2018	Series B Shares	250	450	297.700	14.975.852.582	3.743.963.145.500	133.965.000
					409	963.500			394.071.500
7.	2018	MESOP Windows Exercise II 2018	Series B Shares	250	409	365.400	14.978.134.982	3.744.533.745.500	149.448.600
					599	1.917.000			1.148.283.000
8.	2019	MESOP Windows Exercise I 2019	Series B Shares	250	409	48.500	14.993.772.982	3.748.443.245.500	19.836.500
					599	15.589.500			9.338.110.500
9.	2019	MESOP Windows Exercise II 2019	Series B Shares	250	450	1.062.100	15.002.370.582	3.750.592.645.500	477.945.000
					409	741.500			303.273.500
					599	6.794.000			4.069.606.000
10.	2020	MESOP Windows Exercise I 2020	Series B Shares	250	409	3.163.900	15.015.498.082	3.753.874.520.500	1.294.035.100
					599	9.963.600			5.968.196.400

Chronology of Issuance and/or Listing of Bond

As of December 31, 2022, Bank Jatim has not issued bonds, so there is no information on the chronology of the issuance and/or listing of bonds.

Chronology of Issuance and/or Listing of Other Securities

As of December 31, 2022, 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	KANTOR AKUNTAN PUBLIK (KAP) PAUL HADIWINATA, HIDAJAT, ARSONO, RETNO, PALILINGAN & REKAN
Association Network	PKF International
Public Accountant Firm Address	UOB Plaza Lantai 30 & 42, JL. M.H. Thamrin Lot 8 -10, Jakarta Pusat
Public Accountant Name	Ary Daniel Hartanto
KAP Assignment Period	First Period
AP Assignment Period	First Period
Audit Services	Public Accountant Services for Examination of the Annual Financial Statements of PT Bank Pembangunan Daerah Jawa Timur Tbk ended on December 31, 2022, including Sharia Business Units Included General Audit of Financial Statements, Examination of Financial Statements, Examination of Financial Statements, and Review of Reports.
Non - Audit Services	There are no non-audit services
Audit Fee	Rp1.121.100.000 (One Billion One Hundred Twenty One Million One Hundred Thousand Rupiah)
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 2022
	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 2022



Securities Administration Bureau

PT DATINDO ENTRYCOM

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

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

Assignment Period : Fiscal Year 2022

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 2012

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 2012

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 2022

Notary

SITARESMI PUSPADEWI SUBIANTO, S.H.

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

Services provided: Membuat Make deed of summary of minutes of GMS and deed of minutes of GMS

Assignment Period : Fiscal Year 2022

Awards and Certification

Awards



January 27, 2022

Award Name:

The Best Public Relation in Company Strategy on Developing The Regional Economy Through Improving Banking Services, Category: Regional Bank

Event:

Indonesia Public Relation Awards (IPRA) 2022

Organizer:

Warta Ekonomi



February 24, 2022

Award Name:

Indonesia Best BUMD Awards 2022 on Developing Comprehensive Banking Services, Kategori: BPD

Event:

Indonesia Best BUMD Awards 2022

Organizer:

Warta Ekonomi



March 25, 2022

Award Name:

PR Indonesia Award Kategori: Aplikasi & Terpopuler di Media Cetak Kategori BUMD & Perusahaan Daerah

Event:

PR Indonesia Awards 2022

Organizer:

PR Indonesia



March 30, 2022

Award Name:

TOP CSR Star 5 & Top Leader on CSR Commitment 2022: Busrul Iman

Event:

TOP CSR Awards

Organizer:

Top Business



March 31, 2022

Award Name:

Media Sosial dan Website Terbaik BUMD Acara:

Event:

Bank Jatim Digital Award

Organizer:

Beritajatim.Com



March 31, 2022

Award Name:

The Best HR Management For Outstanding Exceptional and Comprehensive Development Program To Elevate The Quality of HR

Event:

Indonesia Human Resources

Organizer:

Warta Ekonomi



March 31, 2022

Award Name:

Best Syariah Unit in Indonesia Syariah Award

Event:

The Economics Syariah Award 2022

Organizer:

The Economics



March 31, 2022

Award Name:

Digital Innovation For Sustainable Business JConnect Mobile

Event:

Digital Innovation Award 2022

Organizer:

MNC Group



April 07, 2022

Award Name:

1. Category: Bank Umum Konvensional (KBMI 2-Modal Inti di atas Rp6T-14T): Corporate Brand: Peringkat II
2. Category: Tabungan Bank Umum Konvensional: Tabungan Siklus: Peringkat II
3. Category: Mobile Banking Bank Umum Konvensional: Bank Jatim Mobile Banking: Peringkat II
4. Category: Unit Usaha Syariah Bank Umum Konvensional: Corporate Brand: Peringkat III

Event:

Infobank Digital Brand 2022

Organizer:

Infobank



April 20, 2022

Award Name:

1. Golden Star Trophy
2. TOP BUMD 2022 #star 5
3. TOP CEO BUMD 2022

Event:

TOP BUMD Award 2022

Organizer:

Top Business



May 19, 2022

Award Name:

BPD KBMI 2 Core capital of IDR 6T-14T with assets > IDR 100T

Event:

TOP BUMD Awards 2022

Organizer:

Infobank



May 27, 2022

Award Name:

1. TOP 50 Middle Market Capitalization Issuers (Mid Cap PLCs) with Best Corporate Governance Practices
2. Best Disclosure and Transparency

Event:

The 13th IICD Award

Organizer:

IICD



May 30, 2022

Award Name:
Best Bank category BPD KBMI 2
(Core Capital IDR6 T-14 T)

Event:
Best Bank Award 2022

Organizer:
Investor Magazine



May 31, 2022

Award Name:
Busrul Iman – Best Leader for Business
Sustainability Through Development
Innovative Banking Product and Service
kategori KBMI 2, BPD

Event:
Indonesia Financial Top Leader 2022

Organizer:
Warta Ekonomi



June 20, 2022

Award Name:
Top TEN CSR Awards 2022

Event:
Top TEN CSR Awards 2022

Organizer:
Pemkot Mojokerto



June 29, 2022

Award Name:
"As One Among The Winning Brands in
Financial Industry"

Event:
Indonesia Innovation Awards 2022

Organizer:
The Iconomics



June 30, 2022

Award Name:
Rank I Social Media, Rank II Call Center,
Rank III Mobile Banking, Rank III Best
Overall Performance

Event:
19th Banking Service Excellenncce Awards
2022

Organizer:
Infobank



June 30, 2022

Award Name:
Rank III Best Overall Performance Regional
Development Bank

Event:
19th Banking Service Excellenncce
Awards 2022

Organizer:
Infobank



July 29, 2022

Award Name:

Corporate Reputation Awards 2022
Category: Regional Development Bank

Event:

Corporate Reputation Awards

Organizer:

The Iconomics



August 25, 2022

Award Name:

Indonesia Best Bank 2022 For The
Appropriate Business Strategy Through
Banking Protects and Services (Category:
KBMI 2, BPD)

Event:

Indonesia Best Bank Award

Organizer:

Warta Ekonomi



August 30, 2022

Award Name:

Busrul Iman as Jawa Timur Marketing
Champion 2022

Event:

Industry Marketing Champion

Organizer:

Markplus.Inc



September 06, 2022

Award Name:

TOP GRC Award Stars 4 & The Most
Committed GRC Leader 2022

Event:

TOP GRC Award

Organizer:

To Business



September 09, 2022

Award Name:

TOP Bank in KBMI 2 Category 2022

Event:

3rd Indonesia TOP Bank Award 2022

Organizer:

The Iconomics



October 20, 2022

Award Name:

The Best Finance Public Company
Regional Development Asset Rp>100T

Event:

Indonesia Finance Awards 2022

Organizer:

Economic Review



October 26, 2022

Award Name:

Synergetic Stakeholder Partnership
"Excellent Innovation in Public Relation &
Corporate Communication"

Event:

iNews Awards 2022

Organizer:

iNews



October 27, 2022

Award Name:

2nd place in the Large Scale Business
Entity Category

Event:

Paritrana Awards 2022

Organizer:

BPJS ketenagakerjaan



October 27, 2022

Award Name:

Best BPD 2022 with Top Financial
Performance and Development of Innovative
Financial Solutions Category BPD KBMI 2

Event:

Best BPD Awards 2022

Organizer:

Warta Ekonomi



November 09, 2022

Award Name:

The Most Efficient in Banking Operation
for Big Regional Bank Category

Event:

CNBC Indonesia Awards 2022

Organizer:

CNBC Indonesia



November 24, 2022

Award Name:

Silver Rank

Event:

Asia Sustainability Report Rating (ASRRAT)
2022

Organizer:

Nation Center for Sustainability Reporting
(NSCR)



December 01, 2022

Award Name:

Best Digital Finance Category Conventional
Bank for Provision of Real Time
Transaction System Category KBMI 2 BPD

Event:

Indonesia Best Digital Finance Awards
2022

Organizer:

Warta Ekonomi

**December 09, 2022****Award Name:**

Compliance with the 2022 State Administration of Assets Report (LHKPN)

Event:

Awards Kepatuhan LHKPN

Organizer:

Komisi Pemberantasan Korupsi (KPK)

**December 07, 2022****Award Name:**

The best Islamic financial institution receiving cash waqf (LKS-PWU)

Event:

National Coordination Meeting of the Indonesian Waqf Board (Rakornas BWI) throughout Indonesia

Organizer:

Badan Wakaf Indonesia

**December 01, 2022****Award Name:**

ASEAN Asset Class

Event:

ASEAN Corporate Governance Scorecard (ACGS) Awards 2021

Organizer:

ASEAN Capital Markets Forum (ACMF)

**December 15, 2022****Award Name:**

Rank I the best People's Business Credit (KUR) Distribution Bank

Event:

The Best Financial Institution for KUR Disbursement Performance

Organizer:

Direktorat Jenderal Perbendaharaan Kantor Wilayah Provinsi Jawa Timur

**December 15, 2022****Award Name:**

1. Top Digital Implementation 2022 Level Star 5
2. Top Leader on Digital Implementation "Busrul Iman"

Event:

TOP Digital Awards 2022

Organizer:

IT Works

**December 27, 2022****Award Name:**

Ranked First in the 2022 Paritrana Awards in the category of Large-Scale Companies in the Financial, Trade and Services Sector

Event:

Paritrana Awards 2022 East Java Province

Organizer:

BPJS Ketenagakerjaan Jawa Timur

Certification

**Certification Type:**

Sertifikat ISO 27001:2013 (International Standard for Information Security Management Systems)

Validation:

October 21, 2022 - NA

Certification Recipient:

Bank Jatim

Issued by:

Lembaga Sertifikasi Bureau Veritas Indonesia

Information

Available on the Website



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



Other Important Information	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 discussed in the GMS, summary of the minutes of the GMS, and important date information, namely the date of the announcement of the GMS, the date of the summons for the GMS, the date of the GMS, the date of the summary of the minutes of the GMS was announced.	Available
Separate annual financial statements (last 5 years)	Available
Profile of the Board of Commissioners and Directors	Available
Charter of the Board of Commissioners, Board of Directors, Committees, and the Internal Audit Unit	Available

Management Discussion and Analysis of Bank Performance







Economic Review



Global Economic Analysis

Bank Indonesia predicted that the world economy grew by 3.0% in 2022 and decline to 2.6% in 2023. Likewise in the World Economic Outlook (WEO) published in October 2022, the International Monetary Fund (IMF) predicted the outlook for global economic growth at number 3.2% in 2022 and 2.7% in 2023. In the second quarter of 2022, global GDP declined slightly (over

-0.1 percentage point quarterly) with negative growth in major economies such as China, Russia and America Union as well as a sharp decline in Eastern European countries most directly affected by the war in Ukraine and international sanctions targeted to put pressure on Russia to end the conflict.

Table of Economic Growth Projection

Country	2023	2022	2021	2020	2019
World	2.6	3.0	6.0	(3.0)	2.8
Developed Country	1.1	2.4	5.2	(4.4)	1.7
United States of America	1.0	1.9	5.7	(3.1)	2.3
European Region	0.7	3.1	5.2	(6.1)	1.5
Japan	1.5	1.7	1.7	(1.6)	0.0

Country	2023	2022	2021	2020	2019
Developing Country	3.6	3.5	6.6	(1.9)	3.7
China	1.5	3.2	8.1	2.2	6.0
India	6.0	6.6	8.3	(6.6)	1.8
ASEAN-5	5.0	5.0	3.1	(3.1)	1.9
South America	1.3	3.0	6.9	(7.0)	0.1

Source: Bank Indonesia, International Monetary Fund (IMF), 2022

Meanwhile, inflationary pressure was still high, although it started to decline, due to continuing supply chain disruptions and a tight labor market, especially in the United States (US) and Europe. High inflation pushed global monetary policy to remain tight. The Fed was predicted to raise the Fed Funds Rate until early 2023 with a long monetary policy tightening cycle, although at a lower rate. These developments contributed to the continued strength of the US dollar and the ongoing high uncertainty in global financial markets, which has resulted in weak capital inflows to developing countries, including Indonesia.

At the same time, several major economies did not contract in growth but the euro area surprisingly picked up in the second quarter, led by the growth of the tourism-reliant southern European economies. The slowdown that occurred in the first half of 2022 was due to the rapid elimination of monetary accommodation as many central banks attempted to contain persistent inflation. Higher interest rates and the associated increase in borrowing costs, including mortgage rates, had the desired effect of taking the heat off domestic demand, with the housing market showing the earliest

and most obvious signs of a US-like economic slowdown, which can be spent. The October 2022 Global Financial Stability Report was clearly reflected in the strong appreciation of the US dollar. It also widened the yield differential between the yield on US dollar or euro-denominated government bonds and the yield on US or German government bonds in heavily indebted low- and middle-income countries. In sub-Saharan Africa more than two-thirds of government bonds had spreads of more than 700 basis points in August 2022, a significant increase over the previous year. In Eastern and Central Europe, the aftermath of the war in Ukraine prompted a shift in global risk appetite. In addition to monetary policy, China's Covid-19 epidemic, which was still not 100% over, and Russia's invasion of Ukraine also weakened economic activity. China imposed significant restrictions at home and tying up already strained global supply chains. The war in Ukraine and tightening gas supplies to Europe added to the already existing pressure on global commodity markets, pushing natural gas prices even higher.

Source: Bank Indonesia, International Monetary Fund (IMF), 2022

National Economic Analysis

In the midst of ongoing global economic turmoil, the Indonesian economy remained resilient and had good prospects. Indonesia's economy in Quarter III-2022 against Quarter III-2021 grew by 5.72% (year on year/yoy) slightly above the Government's projection of 5.7%. This reflected the continued strengthening of the national economic recovery amid increasing uncertainty

over the global economic outlook. Bank Indonesia predicted that Indonesia's economic growth would remain strong between 4.5% and 5.3% in 2023 and then increase to 4.7% to 5.5% in 2024, supported by increased private consumption, positive investment and exports amidst a slowdown in global economic growth.

Central of Statistic Bureau stated that Indonesia's economic growth in the third quarter on a yoy basis occurred in most business fields except Health Services and Social Activities which contracted by 1.74%. Business fields that grew significantly were Transportation and Warehousing by 25.81%; followed by the Provision of Accommodation and Food and Drink by 17.83%; and Government Administration, Defense and Compulsory Social Security of 12.42%. Meanwhile, the Processing Industry which had a dominant role grew by 4.83%.

Meanwhile, in terms of inflation, the bureau also stated that in December 2022 there was YoY inflation of 5.51% with a Consumer Price Index (CPI) of 113.59. YoY inflation occurred due to price increases as indicated by increases in most of the expenditure group indices, namely the largest in the transportation group at 15.26%, the personal care and other services group at 5.91%, the food, beverage and tobacco group at 5.83%, and equipment and household routine maintenance group of 4.86%. On the export-import side, cumulatively, the value of Indonesia's exports from January to November 2022 reached USD 268.18 billion, up 28.16% compared to the same period in 2021. The largest non-oil and gas exports in November 2022 were to China, namely USD 6.28 billion, followed by America United States USD

2.10 billion and Japan USD 1.90 billion, with the contribution of the three reaching 44.73%. Meanwhile, the import value from January to November 2022 experienced an increase of USD 42,746.0 million (24.45%). The three largest suppliers of non-oil and gas imported goods during January–November 2022 were China USD 61.39 billion (34.03%), Japan USD 15.58 billion (8.64%), and Thailand USD 10.09 billion (5.60%). In addition, Bank Indonesia also informed that the Development of Rupiah Stability Indicators (30 December 2022) The Rupiah was closed at the level (bid) of IDR15,655 per US dollar. During 2022 the rupiah exchange rate against the US dollar fluctuated, sometimes strengthening sometimes weakening. In early 2022, the Rupiah exchange rate against the US dollar was at IDR14,381. Entering the first half of July, the rupiah exchange rate against the US dollar weakened to IDR14,958 or nearly IDR15,000. The strengthening of the US dollar exchange rate was influenced by a number of factors, including the threat of a recession to an increase in the US benchmark interest rate. The rupiah exchange rate against the US dollar continued to weaken. As of October, the Rupiah exchange rate touched IDR15,616 and in November it penetrated IDR15,742 until December closed with IDR15,655.

Source: Central Bureau of Statistics and Bank Indonesia, 2022

Banking Industry Analysis

Increases in bank interest rates, both deposit rates and lending rates, were more limited. Based on BI's report, the 1 (one) month deposit rate in November 2022 was recorded at 3.72% or an increase of 83 bps compared to the July 2022 level, while the November 2022 credit interest rate was recorded at 9.11% or an increase of 17 bps compared to the July 2022 level. The limited increase in bank interest rates was due to loose liquidity. Henceforth, Bank Indonesia will continue encouraging banks to establish efficient, accommodative and competitive lending rates to support economic recovery. From the perspective of banking intermediation, the trend is improving. Credit growth in November 2022 was recorded at 11.16% (YoY), supported by positive growth in all types of credit and the majority of economic sectors. Intermediation recovery also occurred in sharia banking, with financing growth of 23.5% (YoY). In the MSME segment, MSME credit growth in November 2022 was recorded to be quite high. Banking liquidity in November 2022 was maintained, supported by growth in Third Party Funds (DPK) of 8.80% (yoy). Bank Indonesia's simulation results show that banking resilience is still maintained. This can be seen from the strong banking capital with Capital Adequacy Ratio (CAR) in October 2022 constantly

high at 25.08%. Along with strong capital, the risk remains under control as reflected in the ratio of Non Performing Loans (NPL) in October 2022 at 3.70% (gross) and 1.01% (net).

Meanwhile, Bank Indonesia continues to promote efficiency improvements in the payment system through strengthening policies and accelerating digitalization to maintain the momentum of economic recovery. Digital economic and financial transactions have increased, supported by the rising public acceptance and preference for online shopping, the more extensive range and ease of digital payment systems, and fast digital banking. The value of electronic money (EU) transactions in November 2022 grew 12.84% (YoY) to reach IDR35.3 trillion, while the value of digital banking transactions increased by 13.88% (YoY) to IDR4,561.2 trillion which in line with the normalization of people's mobility. In addition, the value of payment transactions using ATM cards, debit cards, and credit cards also increased by 16.85% (YoY) to IDR664.9 trillion. Meanwhile, the amount of currency in circulation (UYD) in November 2022 increased by 7.77% (YoY) at IDR935.2 trillion.

Bank Jatim's Position in the Banking Industry Analysis

As a comparison of the performance of Bank Jatim against the Regional Development Bank of Indonesia (BPD SI) and the banking industry, the following is a breakdown of the Bank's growth performance and a ratio comparison of the Bank to the average BPD SI and the banking industry.

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

(in IDR billion)

Performance	Bank Jatim			Regional Development Bank of Indonesia (BPD SI)			Banking Industry		
	November 2022	November 2021	Growth (yoy)	November 2022	November 2021	Growth (yoy)	November 2022	November 2021	Growth (yoy)
Asset	107,235	102,961	4.15%	944,056	867,904	8.77%	10,874,853	9,913,669	9.70%
Loans	46,497	42,871	8.46%	557,970	511,758	9.03%	6,347,472	5,705,128	11.26%
Third Party Fund (DPK)	89,553	88,449	1.25%	750,471	701,153	7.03%	7,974,132	7,323,356	8.89%

Source: Indonesia Banking Statistics – Financial Services Authority November 2022; Bank Jatim Internal Data

In general, Bank Jatim's main performance component for the November period (% yoy) experienced several improvements, especially in the deposit component but was also offset by an increase in the savings component so that third party funds and fixed assets grew by 4.15% and 1.25% respectively. The loan

component grew positively by 8.46%, although not higher than the banking industry's growth of 11.26% due to the fact that the acceleration of loan distribution was still being held back due to post-Covid-19 recovery conditions which had an impact on public consumption trends.

Table of Comparison of Bank Ratio to Industry Average

(in %)

Ratio	November 2022			November 2021		
	Bank Jatim	Regional Development Bank of Indonesia (BPD SI)	Banking Industry	Bank Jatim	Regional Development Bank of Indonesia (BPD SI)	Banking Industry
Net Interest Margin (NIM)	5.22	5.77	4.79	5.08	5.71	4.62
Non Performing Loan (NPL) Gross	3.60	2.34	2.65	4.52	2.78	3.19
Return on Assets (RoA)	2.00	2.13	2.49	2.09	2.03	1.93
Capital Adequacy Ratio (CAR)	22.99	23.40	25.55	23.56	22.81	25.59
Loan to Deposit Ratio (LDR)	51.92	74.46	79.73	48.47	73.20	78.26
Operational Cost of Operating Income (BOPO)	74.30	75.91	77.54	72.60	79.05	82.94

Source: Indonesia Banking Statistics – Financial Services Authority November 2022; Bank Jatim Internal Data

The performance ratio of Bank Jatim for the November period had a component classified as better than the ratio of the performance of the banking industry and the BPD SI group, namely the BOPO performance of 74.30% showing that Bank Jatim's operational activities were classified as more efficient than the banking industry and BPD SI. Meanwhile, the other ratio, namely NIM of 5.22%, was better than the banking industry's 5.77%. Bank Jatim's BOPO

and NIM ratios for the November 2022 period reached 74.30% and 5.22%, respectively. In terms of gross NPL, compared to the banking industry group and BPD SI, Bank Jatim's gross NPL for the November period was the highest at 3.60%. Meanwhile, in line with Bank Jatim's NPL and LDR ratio, it also had the lowest between BPD SI and the banking industry, namely at 51.92%.

Operational

Review

Bank Strategy

Business Strategy Focus in 2022

The description of Bank Jatim's business strategy focus in 2022 is as follows:

1. Becoming a Regional Development Bank (BPD) Rank 2 (Achieving Credit) in 2022.
2. Minimizing the gap with Bank bjb assets.
3. Growing above the average asset growth of the Regional Development Bank of Indonesia (BPD SI). Corporate Actions to invest ±IDR56 billion in financial institutions and establishing a Regional Securities Company ±IDR5 billion.
4. Minimizing the gap with Bank Jateng's loans distribution.
5. Minimizing the gap with Bank bjb's TPF collection.
6. Acceleration of Loan processes and collaboration with the Central and Regional Governments through Synergy with Nawa Bhakti Satya.
7. Increasing the growth of TPF, especially in current accounts and savings.
8. Maintaining Current Account Saving Account (CASA) Ratio at ≥61,60% at Macroprudential Inclusive Financing Ratio (RPIM) ±37.25%
9. Optimizing loans expansion.
10. Optimizing the role of Treasury.
11. Increasing the acquisition of fee based income

Business Support Strategies Focus in 2022

The description of the focus of Bank Jatim's business support strategy in 2022 is as follows:

1. Divisional performance evaluation to be more effective and efficient.
2. Improved Service Level Agreement (SLA).
3. Implementation of new organizational structure evaluation.
4. Improving the quality of human resources through training activities.
5. Improved remuneration.
6. Evaluation and implementation of reward and punishment.
7. Improving the new employee recruitment system.
8. Strengthening the company's work culture through change agent training.
9. Establish a work culture in KPIs in 2022.
10. GCG Improvement Roadmap to rank 2nd in 2022.
11. Maintain the average risk profile rating with a score of 2.
12. Improving the quality of service standards to be ranked 2nd among BPDs in Indonesia in 2022.

Short Term Strategy

The description of Bank Jatim's short-term strategy is as follows:

1. Service standards achieved 2nd place of Best Overall Performance Service Excellent from the Marketing Research Indonesia (MRI) assessment for the Regional Development Bank Category.
2. Systems with digital banking enhancements, modernized core banking systems and infrastructure, as well as IT security enhancements towards Digital Banking 4.0 (Omni Channel services).
3. Strengthening the structure and function of treasury as a liquidity manager.
4. Implementation of Bank Jatim products used by the Regional Government in non-cash financial services and application of regional financial information in the form of e-KD reached 80%.
5. Improve asset quality, credit, third party funds, and profits with better balancing.

Medium Term Strategy

The description of Bank Jatim's medium-term strategy is as follows:

1. Minimizing the credit gap with Bank bjb and Bank Jateng.
2. Contributing to national strategic projects in East Java Province.
3. Business process improvement.
4. Good product management.
5. Growth above the national banking industry average.
6. A balanced and sustainable organic business growth strategy, as well as inorganic business growth through equity participation in financial institutions.
7. Optimizing the role of Treasury.
8. Increased fee-based income.

Long Term Strategy

The description of Bank Jatim's long-term strategy is as follows:

1. Issuance of Bonds in the form of a Continuing Public Offering (PUB).
2. Balanced and sustainable organic business growth.
3. Inorganic business growth through equity participation in financial institutions.

Marketing Aspect

Marketing Strategy in 2022

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.

Bank Jatim cooperated in the services of the Provincial Government and Regional Government in terms of distribution of social assistance, distribution of BOS funds, Regional Tax and Retribution revenues through modern channels (Indomaret/alfamart) and Marketplace (Tokopedia, Shopee, Ovo) and others as well as working together with State Owned Enterprises' National Health Insurance and Employment Insurance.

Market Share

Bank Jatim as a Conventional Bank, in particular, faced competition with all Regional Development Bank of Indonesia and the banking industry in Indonesia in determining market share. This business

competition could be seen based on the number of assets owned, the amount of third party funds that had been successfully raised, and the amount of loan extended by the Bank.

Table of Bank Jatim Market Share Compared to BPD SI

(in IDR billion)

Description	Information	November 2022	November 2021	Increase/Decrease
Total Asset	BPD SI	944,056	867,904	76,152
	Bank Jatim	107,235	102,961	4,274
	Market Share (%)	11.36%	11.86%	(0.50%)
Total Third Party Fund	BPD SI	750,471	701,153	49,318
	Bank Jatim	89,553	88,449	1,104
	Market Share (%)	11.93%	12.61%	(0.68%)
Total Loan Granted	BPD SI	557,970	511,758	46,212
	Bank Jatim	46,497	42,871	3,626
	Market Share (%)	8.33%	8.38%	(0.05%)

Source: Indonesia Banking Statistics – Financial Services Authority November 2022; Bank Jatim Internal Data

Bank Jatim's market share compared to BPD SI both in terms of assets, total TPF and loans as a whole decreased slightly by 0.50%, 0.68% and 0.05% respectively. As previously mentioned, the decline was due to a policy change in the structure of TPF, especially expensive funds, namely time deposits. The decrease in deposits resulted in a less significant increase in TPF and still below the increase in BPD SI. Meanwhile, the decline in the market share of

loans extended as a result of accelerating lending was still being stifled due to the recovery conditions after the Covid-19 pandemic which had an impact on the trend of public consumption which had not fully returned to normal as before the pandemic. Even though all components increased, the increase was not significant and was still far below the increase in BPD SI.



Diagram of Bank Jatim Market Share Compared to BPD Throughout Indonesia November 2022

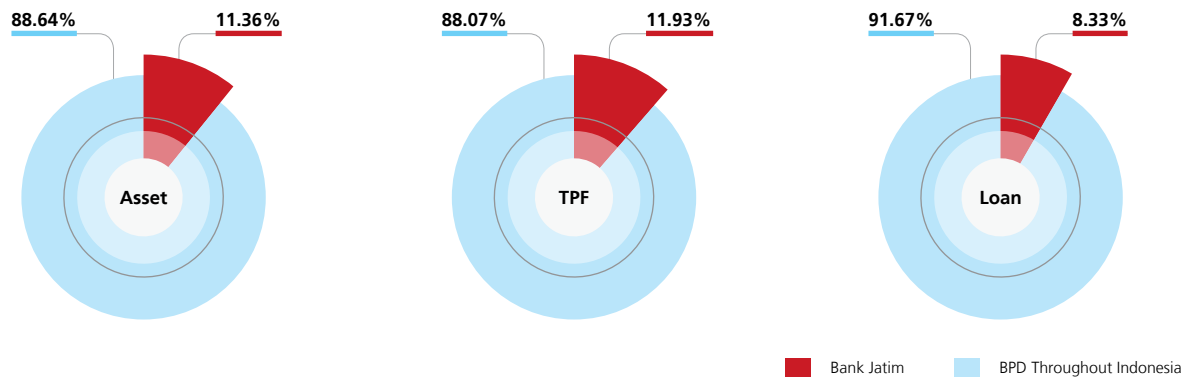
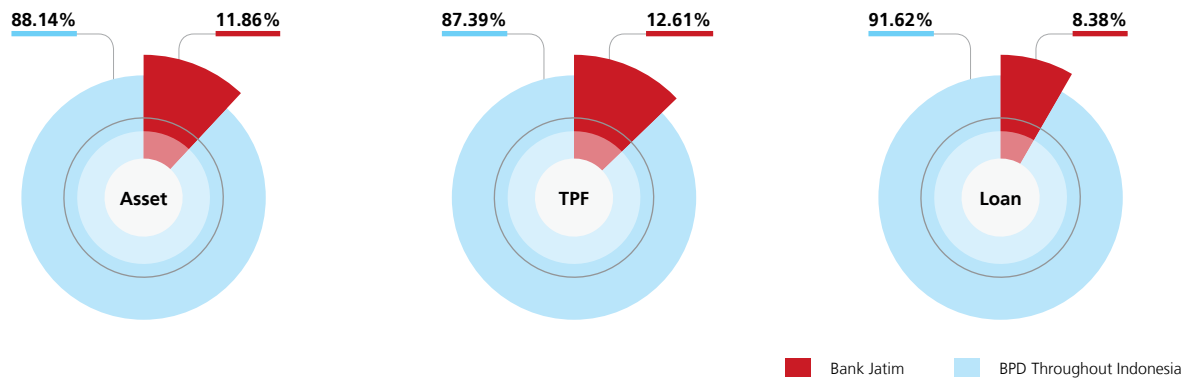


Diagram of Bank Jatim Market Share Compared to BPD Throughout Indonesia November 2021



Graph of Bank Jatim Market Share Compared to BPD Throughout Indonesia in 2021-2022

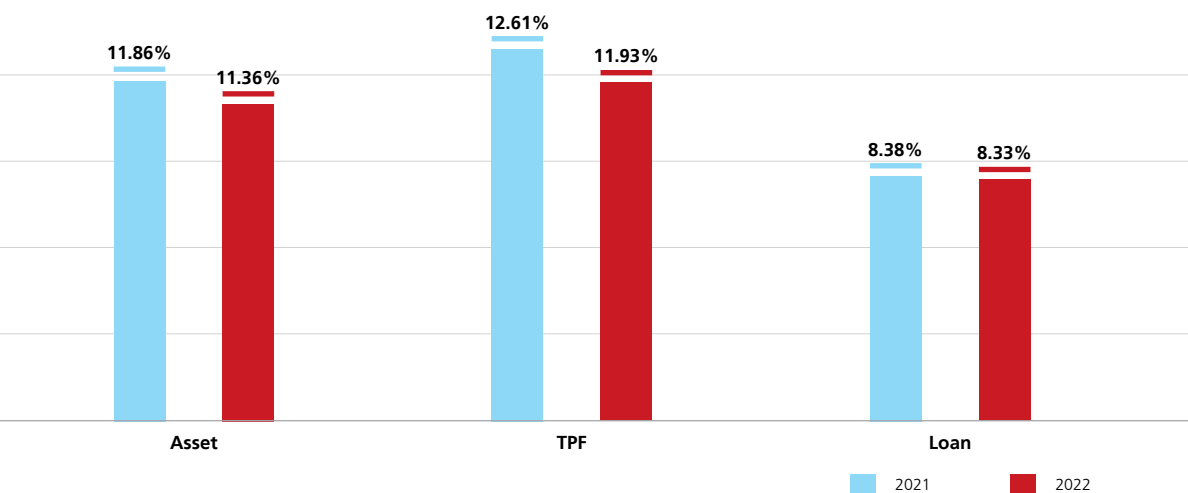


Table of Bank Jatim Market Share Compared to Indonesia Banking Industry

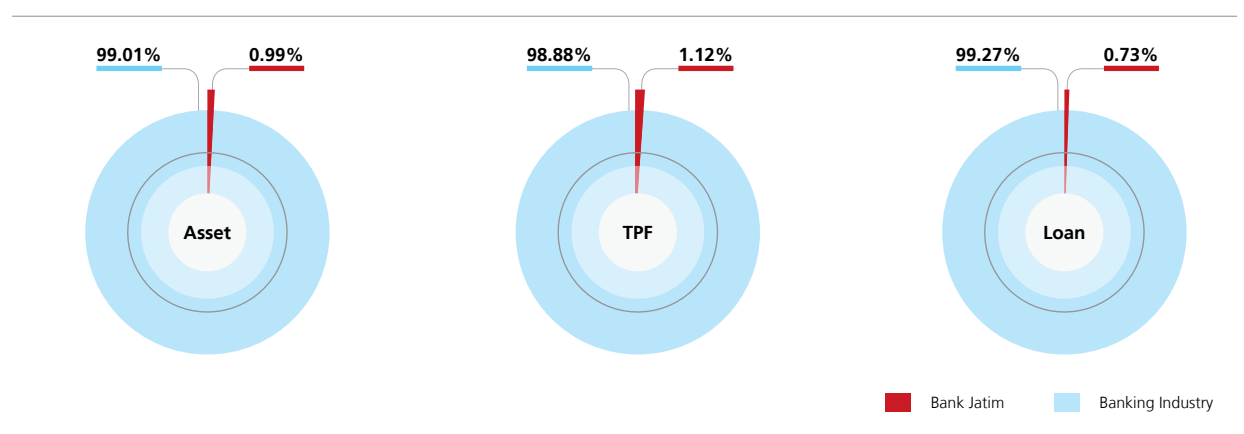
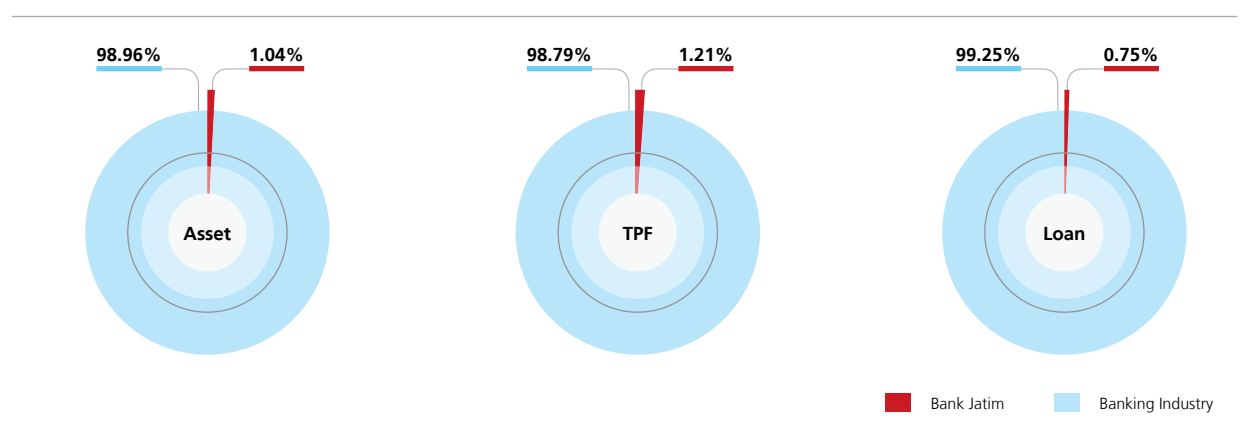
(in IDR billion)

Description	Information	November 2022	November 2021	Increase/Decrease
Total Asset	Banking Industry	10,874,853	9,913,669	961,184
	Bank Jatim	107,235	102,961	4,274
	Market Share (%)	0.99%	1.04%	(0.05%)
Total Third Party Fund	Banking Industry	7,974,1321	7,323,356	72,417,965
	Bank Jatim	89,553	88,449	1,104
	Market Share (%)	1.12%	1.21%	(0.09%)
Total Loan Granted	Banking Industry	6,347,472	5,705,128	642,344
	Bank Jatim	46,497	42,871	3,626
	Market Share (%)	0.73%	0.75%	(0.02%)

Source: Indonesia Banking Statistics – Financial Services Authority November 2022; Bank Jatim Internal Data

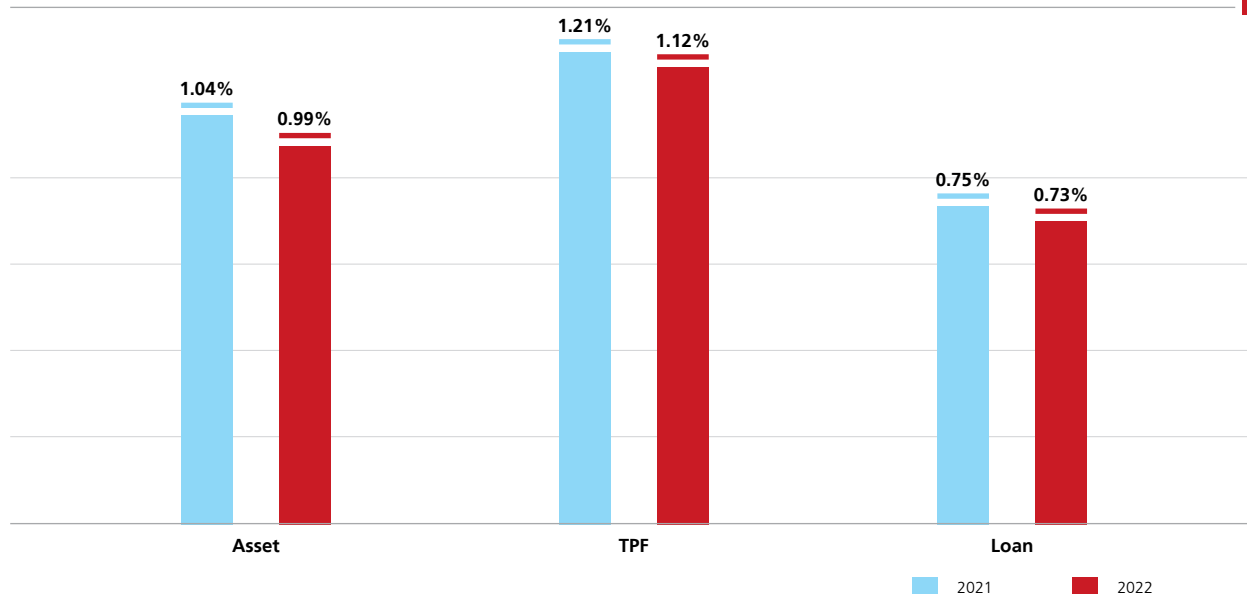
In line with BPD SI's market share, Bank Jatim's market share compared to the Indonesian Banking Industry in terms of assets, total TPf and loans all decreased by 0.05%, 0.09% and 0.02% respectively. As previously mentioned, even though there was an increase in all components, the increase was not significant and was still below the increase in the banking industry. Meanwhile,

the decline in the market share of loans extended as a result of accelerated lending was still being stifled due to post-pandemic recovery conditions which had an impact on the trend of public consumption which had not fully returned to normal as before the pandemic.

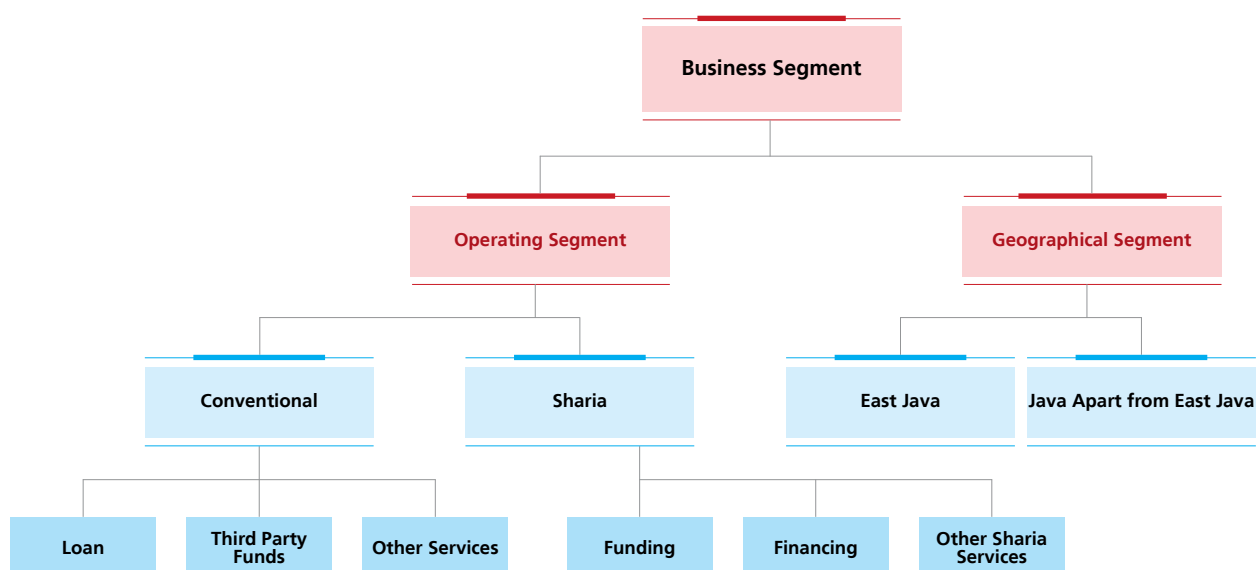
Diagram of Bank Jatim Market Share Compared to Indonesia Banking Industry November 2022

Diagram of Bank Jatim Market Share Compared to Indonesia Banking Industry November 2021




Graph of Bank Jatim Market Share Compared to Indonesia Banking Industry November 2021-2022



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 Transactional Contractor Working Capital Loans, Standby Loan Contractor Working Capital Loans, General Installment Working Capital Loans, Current Account Working Capital Loans, Investment Loans, Property Construction Loans, Syndicated Loans, Loans to Public Service Agencies Region (BLUD), Receivable Financing Credit, Local Government Credit, Trade Finance Credit. Explanation of each Commercial, Corporate and Syndicated Loan product has been presented in the Profile section of 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 Distribution

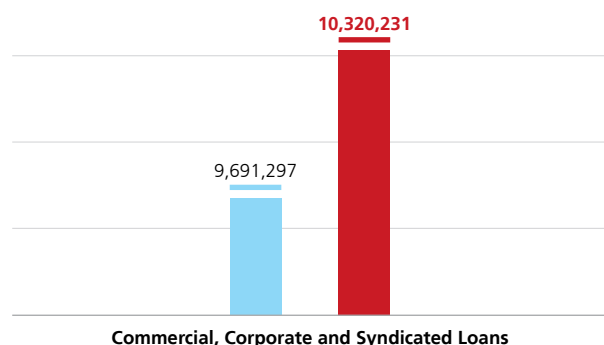
(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Syndication	5,198,185	3,812,670	1,385,515	36.34%
Property Cosntruction	195,227	209,770	(14,543)	(6.93%)
Local Government Loans	174,195	-	174,195	100.00%
Regional Public Service Agency (BLUD)	-	34,840	(34,840)	(100.00%)
General Investment	715,479	773,319	(57,840)	(7.48%)
General Working Capital	753,487	662,153	91,334	13.79%
Current Account Patterns (PRK)	2,639,565	2,941,197	(301,633)	(10.26%)
Transactional Contractor Loan	356,554	636,107	(279,553)	(43.95%)
Contractor Loan/Standby Loan	276,288	514,590	(238,302)	(46.31%)
Restructions	8,253	106,650	(98,396)	(92.26%)
Trade Finance	-	-	-	-
Accounts Receivable Financing	2,999	-	2,999	100.00%
Total	10,320,231	9,691,297	628,935	6.49%

Total Commercial, Corporate and Syndicated Loans in 2022 reached IDR10.32 trillion, an increase of 6.49% compared to 2021 which reached IDR9.69 trillion. The increase came from the realization of syndicated loans of IDR1.39 trillion, an increase of 36.34% from the previous year's syndicated loans.

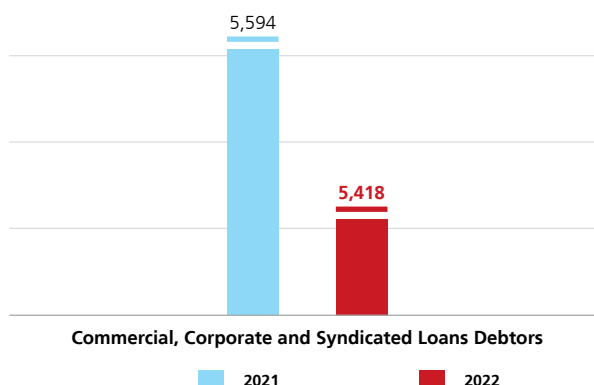
Graph of Commercial, Corporate and Syndicated Loans

(in IDR million)



Graph of Commercial, Corporate and Syndicated Loans Debtors

(in person)



The number of Commercial, Corporate and Syndicated Loan debtors in 2022 was 5,418 debtors, a decrease of 3.15% compared to 2021 of 5,594 debtors.

Table of Number of Commercial, Corporate and Syndicated Loans Debtors

(in person)

Description	2022	2021	Growth	
			Noa	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Syndication	40	25	15	60.00%
Property Cosntruction	168	216	(48)	(22.22%)
Local Government Loans	2	-	2	100.00%
Regional Public Service Agency (BLUD)	-	-	-	(100.00%)
General Investment	242	233	9	3.86%
General Working Capital	605	516	89	17.25%
Current Account Patterns (PRK)	2,300	2,613	(313)	(11.98%)
Transactional Contractor Loan	1421	1,347	74	5.49%
Contractor Loan/Standby Loan	575	599	(24)	(4.01%)
Restructions	59	44	15	34.09%
Trade Finance	-	-	-	-
Accounts Receivable Financing	6	-	6	100.00%
Total Number of Debtors	5,418	5,594	(176)	(3.15%)

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

- **Syndication**
Syndicated Loans in 2022 reached IDR5.19 trillion, an increase of IDR1.38 trillion or 36.34% compared to 2021 of IDR3.81 trillion. The number of debtors for Syndicated Loans decreased by 60.00% from 25 debtors in 2021 to 40 debtors in 2022.
- **Property Construction**
Property Construction Loans in 2022 reached IDR195.23 billion, a decrease of IDR14.54 billion or 6.93% compared to 2021 of IDR209.70 billion. The number of debtors for Property Construction Loans decreased by 22.22% from 216 debtors in 2021 to 168 debtors in 2022.
- **Local Government Loans**
In 2020-2021, there was no disbursement of Local Government Loan but in 2022 there was a realization of IDR174.19 billion with 2 (two) debtors.
- **Regional Public Service Agency (BLUD)**
There was no realization of BLUD loans in 2022, experiencing a decrease of IDR34.84 billion due to repayment.
- **General Investment**
General Investment Loans in 2022 reached 715.47 billion, decreased by IDR57.84 billion or 7.48% compared to 2021 of IDR773.31 billion. The number of General Investment Loan debtors increased by 3.86% from 2,332 debtors in 2021 to 242 debtors in 2022.
- **General Working Capital**
General Working Capital Loans in 2022 reached IDR753.48 billion, an increase of IDR91.33 billion or 13.79% compared to 2021 of IDR662.15 billion. The number of debtors for the General Working Capital Loan increased by 17.25% from 516 debtors in 2021 to 605 debtors in 2022.
- **Current Account Patterns (PRK)**
PRK loans in 2022 reached IDR2.63 trillion, a decrease of IDR301.63 billion or 10.26% compared to 2021 of IDR2.94 trillion. The number of PRK Loan debtors decreased by 11.98% from 2,613 debtors in 2021 to 2,300 debtors in 2022.
- **Transactional Contractor Loan**
Transactional pattern contractor loans in 2022 reached IDR356.55 billion, a decrease of IDR279.55 billion or 43.95% compared to 2021 of IDR636.11 billion. The number of debtors for Transactional Loan Contractors experienced an increase of 5.49% from 1,347 debtors in 2021 to 1,421 debtors in 2022.
- **Contractor Loan/Standby Loan**
Standby Loan Contractor loans in 2022 reached IDR276.28 billion, a decrease of IDR238.30 billion or 46.31% compared to 2021 of IDR514.59 billion. The number of debtors for the Standby Loan with Contractor Loan pattern decreased by 4.01% from 599 debtors in 2021 to 575 debtors in 2022.

• **Restructurisation**

Restructuring Loans in 2022 reached IDR8.25 billion, a decrease of IDR98.39 billion or 92.26% compared to 2021 of IDR106.65 billion. The number of debtors for Restructuring Loan increased by 34.09% from 44 debtors in 2021 to 59 debtors in 2022.

• **Trade Finance**

In 2021-2022, there was no Trade Finance Loans disbursement.

• **Accounts Receivable Financing**

In 2022 there was distribution of Receivables Financing Loans with a realization of IDR2.99 billion with a total of 6 (six) debtors.

Commercial, Corporate and Syndicated Loans Competitive Advantage and Innovation

The Commercial, Corporate and Syndicated Credit Division included into a Cooperation Agreement with PT Purinusa Eka Persada (Sinarmas Group) regarding loan receivables with the Supply Chain Finance (SCF) mechanism for vendors or suppliers and did not rule out cooperation agreements with other companies.

Commercial, Corporate and Syndicated Loans Business Prospect for 2023

The Commercial, Corporate and Syndicated Credit Division in 2023 will focus on prospecting SOEs, ROEs and the private sector in East Java for the pipeline that had been built at the end of 2022.

Commercial, Corporate and Syndicated Loans Strategy for 2023

The description of the Commercial, Corporate and Syndicated Loan strategies to be carried out in 2023 is presented as follows:

1. Building an organized and visualized sales pipeline.
2. Provision of loan restructuring stimulus and debtor monitoring of debtors whose business cycle was disrupted.
3. Collaborating with other banks to provide syndicated financing for Government projects and prospective private businesses.
4. Participating in green financing (environmentally friendly based)
5. Increasing the prospect of Number of Accounts (NoA) of potential sectors by:
 - a. Mapping potential sectors with sector characteristics where there is potential and current.
 - b. Approaching the debtor to enter the debtor's business association and obtain a list of prospective debtors.
 - c. Offers to SOEs/ROEs and private companies.
6. Conducting socialization on updating the PSC Division's SOP and conducting training to improve the capacity of the officers in charge

Consumer Loan

Consumer Loans consisted of Multipurpose Loans, Employee Loans, Cash Collateral Credit (CCC), Motor Vehicle Loans, Property Loans and Gold Backed Loans. A description of each

Consumer Loan product is presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

Consumer Loan productivity is described as follows:

Table of Consumer Loans

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Multipurpose Loans	23,801,592	22,301,540	1,500,052	6.73%
Employee Loans	2,077,126	2,124,320	(47,194)	(2.22%)
Cash Collateral Credit (CCC)	75,728	55,097	20,631	37.45%
Motor Vehicle Loans	64,774	9,473	55,301	583.77%
Property Loans (General KPR, Property Backed Consumption Loans/ KKBP, Housing Financing Liquidity Facility/FLPP)	1,666,269	1,818,334	(152,066)	(8.36%)
Gold Backed Loan	8,825	4,850	3,975	81.96%
Total	27,694,313	26,313,613	1,380,700	5.25%

Total Consumer Loans in 2022 reached IDR27.69 trillion, an increase of 5.25% compared to 2021 which amounted to IDR26.31 trillion. This increase mainly came from the growth of Multipurpose Loans of IDR6.73% or IDR1.50 trillion.

Based on growth, Motor Vehicle Loans recorded the largest growth, reaching 583.77%, followed by Gold Collateral Loans at 81.96%, Cash Collateral Credit at 37.45%, Multipurpose Loans at 6.73%, while Employee Loans decreased by 2.22% and Property Loans also decreased by 8.36%.

As of 31 December 2021, the number of Bank Jatim Consumer Loan debtors was recorded at 244,877 debtors, an increase of 16,564 debtors or 6.76% compared to 2022 of 261,441 debtors. From the conclusion above, the Multipurpose Loan Scheme provided the largest contribution, this was due to the Multipurpose Loan promo moment.

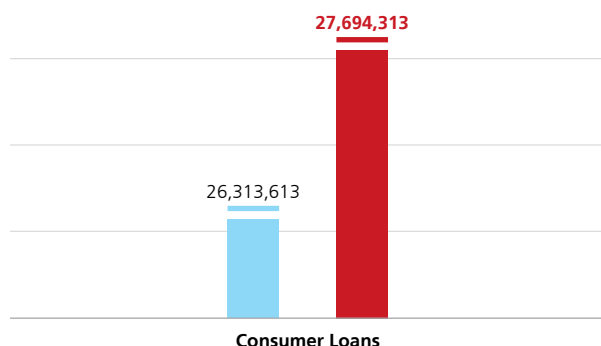
Table of Number of Consumer Loan Debtors

(in person)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Multipurpose Loans	245,870	230,468	15,402	6.68%
Employee Loans	5,653	4,994	659	13.20%
Deposits Loan (Cash Collateral Credit)	274	163	111	68.10%
Motor Vehicle Loans	991	298	693	232.55%
Property Loans (General KPR, Property Backed Consumption Loans/ KKBP, Housing Financing Liquidity Facility/FLPP)	8,373	8,806	(433)	(4.92%)
Gold Backed Loan	279	148	131	88.51%
Total Number of Debtors	261,440	244,877	16,563	6.76%

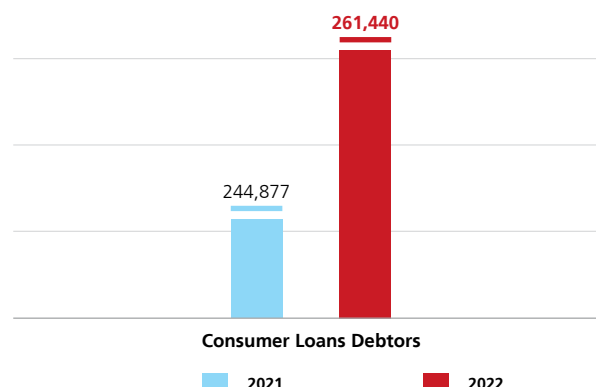
Graph of Consumer Loans

(in IDR million)



Graph of Consumer Loans Debtors

(in person)



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

- **Multiguna (Multipurpose) Loans**

Multipurpose loans in 2021 reached IDR22,301 billion, an increase of IDR1.50 billion or 6.73% compared to 2022 of IDR23,801 billion. The number of Multipurpose Loan debtors increased by 6.68% from 230,468 debtors in 2021 to 245,870 debtors in 2022.

- **Employee Loans**

Employee loans in 2021 reached IDR2,124 billion, a decrease of IDR47.19 billion or 2.22% compared to 2022 of IDR2,077 billion. The number of Employee Loan debtors increased by 659 debtors or 13.20% from 4,994 debtors in 2021 to 5,653 debtors in 2022.

- **Cash Collateral Credit (CCC)**

Cash Collateral Credit in 2021 was IDR55.09 billion, an increase of IDR20.63 billion or 37.45% compared to 2022 of IDR75.73 billion. The number of Cash Collateral Credit debtors increased by 111 debtors or 68.10% from 163 debtors in 2021 to 274 debtors in 2022.

- **Motor Vehicle Loan**

Motor Vehicle Loans in 2021 reached IDR9 billion, an increase of IDR55 billion or 583.77% compared to 2022 of IDR64 billion. The number of debtors for Motor Vehicle Loans increased by 82 debtors or 37.96% from 298 debtors in 2021 to 991 debtors in 2022.

- **Property Loan**

Property loans in 2021 reached IDR1,818 billion, a decrease of IDR152.07 billion or 8.36% compared to 2022 of IDR1,666 billion. The number of debtors for property loans decreased by 4.92% from 8,806 debtors in 2021 to 8,373 debtors in 2022.

- **Gold Backed Loan**

Gold Guarantee Loans in 2021 reached IDR4.85 billion, an increase of IDR3.98 billion or 82.63% compared to 2022 of IDR8.83 billion. The number of Gold Collateral Loan debtors increased by 131 debtors or 88.51% from 148 debtors in 2021 to 279 debtors in 2022.

Consumer Loan Strategy in 2022

A description of the Consumer Loan strategy implemented in 2022 is presented as follows:

1. Conducting member get member marketing program.
2. Promotion of interest rates and fees.
3. Lottery program with prizes.
4. Development and launching of E-KMG Version 2
5. Evaluating the provisions for billing/marketing wages through Cashda.
6. Developing civil government database and performing analysis as reference data for marketing personnel.
7. Efforts to reduce insurance premiums or other methods (eg premium subsidies or insurance premiums are paid in installments).
8. Collaborating with other banks to take over Multipurpose Credit.
9. Conducting studies on the development of Credit Cards and Regional Government Credit Cards (KKPD).
10. Monitoring the achievement of loan marketing personnel targets.
11. Renewing cooperation with Taspen and carrying out a refreshment of the implementation of Taspen flagging.
12. Monitoring the implementation of insurance in coordination with the Operations Division.
13. Monitoring the implementation of the Branch marketing program.
14. Monitoring the achievement of marketing personnel targets for KKB.
15. Lucky Draw Program or other programs (example: giving shopping vouchers for 50 credit applications).
16. Conducting product marketing programs through the Bank's social media, creating media or marketing tools, monitoring marketing targets, cross selling.
17. Adding PKS with developers and Property Agents.

18. Gathering with Association Members and Housing Developers in East Java.
19. Monitoring the realization of FLPP KPR at Branch Offices and providing FLPP KPR targets to potential Branches.
20. Preparing a joint plan for KPR Tapera distribution with BP Tapera and related divisions
21. Collaborating with FLPP/Tapera home developers
22. Evaluating product SOP according to market and competitors

Consumer Loan Competitive Advantage and Innovation

The advantages of Consumer Loan products included the following:

1. Multipurpose Loans
 - a. The broad market share included individuals with a fixed income.
 - b. Competitive interest rates, interest rates up to a single rate.
 - c. Easy, simple requirements.
 - d. The majority of loan payroll recipients were at Bank Jatim.
 - e. The process was fast and precise according to the needs of prospective borrowers.
2. Motor Vehicle Loans
 - a. Broad market share included individuals with fixed and variable income as well as non-individuals (business entities and legal entities).
 - b. Down payment from 0%.
 - c. Low interest rates, attractive, competitive.
 - d. Cheap loan fees, free of charge for two-wheeled motorized vehicles.
 - e. Easy requirements.
 - f. The process was fast and precise in meeting the vehicle needs of prospective debtors.
 - g. Cooperation with many dealers.
3. Home Ownership Loans (KPR)
 - a. Broad market share included individuals with fixed and variable income as well as non-individuals (business entities and legal entities).
 - b. Down payment from 5%.
 - c. Interest rates varied according to the needs of prospective borrowers.
 - d. Easy and competitive terms.
 - e. Cooperation with many developers.
 - f. There was a incentives for the developers.
 - g. Loans could be repaid before maturity or partial repayment.
4. Property Backed Consumption Loans (KKBP)
 - a. Broad market share included individuals with fixed and variable income as well as non-individuals (business entities and legal entities).
 - b. The goal was for all the consumptive needs of prospective borrowers.
 - c. Down payment from 5%.
 - d. Competitive interest rates.
 - e. Easy and competitive terms.
 - f. Loans could be repaid before maturity or partial repayment.

5. Cash Collateral Loans
 - a. Broad market share included individuals with fixed and variable income as well as non-individuals (business entities and legal entities).
 - b. Great credit score.
 - c. Cheap and competitive interest rates.
 - d. Simple requirements.
 - e. Fast process.
 - f. Low cost.
 - g. Cash collateral in rupiah and foreign currencies.
6. KPR Sejahtera with the support of the Housing Finance Liquidity Facility Fund (FLPP)
 - a. Loan recipients could have a dream house with very cheap interest rates and were fixed during the loan period.
 - b. Recipients could apply for down payment subsidies.
 - c. Minimum down payment of 1%.
 - d. Easy requirements.
 - e. Fast loan process.
 - f. Low cost.

The consumer loan innovations carried out in 2022 were as follows:

1. Promotion of Property Loan interest rates (KPR and KKBP) with a single rate (starting from 3%).
2. Increasing the benefits of a more complete E-KMG application, used for a wider target so as to simplify the Multipurpose Loan application process.
3. Multipurpose Loan interest rate promos for prospective new debtors, take over and top up debtors.
4. Referral Program "OMG" for customers who could refer potential debtors at Bank Jatim.
5. KPR Gathering with Kemenpupera and developers.
6. Marketing with the Consumer Credit Division and Branches.
7. Approaching and entering into cooperation agreements with developers.
8. Collaboration with many dealers including dealers selling environmentally sound vehicles.
9. Providing incentives for environmentally sound vehicles.
10. Holding vehicle exhibitions both at Bank Jatim Offices and at Agencies/Departments.
11. Collaboration with BP Tapera in implementing FLPP KPRS distribution.

Consumer Loan Business Prospect and Strategies for 2023

A description of the business prospects and strategy for each consumer loan product in 2023 is presented as follows:

1. Mapping and processing of potential customer data
Conducting potential data mapping based on internal and external data as a database for the Account Officer (AO) to market credit along with improving the Marketing Application (MAP) application as a marketing performance monitoring tool.
2. Referral Program for Member Get Member
It is an incentive program for customers who can refer prospective borrowers at the Bank.

3. Improvement of the E-KMG Version 2 application and the Marketing Application (MAP) for AO Consumer and Property Loans
4. Multipurpose Credit Promotion
Promotional program of interest rates or fees for distribution of KMG Pre-retirement, Retirement, take over, addition of new NoA and top up (loyal debtor segment)
5. Collaboration PTN/PTS
The Bank collaborates with State Universities (PTN)/Private Universities (PTS) in distributing educational multipurpose loans.
6. Distribution of Local Government Credit Cards (KKPD)
Development of the Virtual KKPD which has become the target of Bank Indonesia to maximize regional government budget and spending transactions.
7. Marketing Optimization of Motor Vehicle Loans (KKB)
Carry out marketing through KKB Expo in all branches
8. Optimizing the marketing of Cash Collateral Credit
Joint Marketing carried out by all branches for cash collateral credit by targeting depositors/savers > IDR500 million.
9. Marketing Optimization of Gold Guaranteed Credit
Joint marketing carried out by all branches for Gold Guaranteed Credit.

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 and Energy Security Loans (KKPE), East Java Micro Loan and SixUMI Loan.

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

Table of Micro, Retail and Program Loan

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Jatim Retail Loan	1,623,616	1,665,202	(41,587)	(2.50%)
Laguna Micro Loan	399	1,524	(1,125)	(73.82%)
BPR Linkage Loans	217,961	270,329	(52,368)	(19.37%)
People's Business Loans (KUR)	2,435,507	576,604	1,858,903	322.39%
Loans to Cooperatives For its members (KKPA)	527,374	575,444	(48,069)	(8.35%)
Loans to Cooperatives (KKOP)	20,063	19,055	1,009	5.29%
Micro Small Business Loans (KUMK) SU-005/ Government Investment Loans (KIP)	1,585	2,989	(1,403)	(46.96%)
Cattle Breeding Business Loans (KUPS)	2,142	4,036	(1,893)	(46.91%)
Food and Energy Security Loans (KKPE)	317	770	(453)	(58.79%)
Jatim Micro Loans	797,268	1,040,174	(242,905)	(23.35%)
Linkage Fintech Loan	469,889	583,556	(113,667)	(19.48%)
SiUMI Loans	77,846	127,264	(49,417)	(38.83%)
BPR RC Loan (Newspaper Account)	98,899	114,942	(16,043)	(13.96%)
Total	6,272,869	4,981,888	1,290,980	25.91%

Bank Jatim in 2022 for Micro, Retail and Program Loan schemes disbursed loans of IDR6.27 trillion, an increase of IDR1.29 trillion or 25.91% compared to 2021 of IDR4.98 trillion. This was due to an increase in the People's Business Credit (KUR) scheme of IDR1.85 trillion and Credit to Cooperatives (KKOP) of IDR1.01 billion. Based on the composition, People's Business Credit (KUR) made the largest contribution, reaching 322.39%, followed by

Credit to Cooperatives (KKOP) of 5.29% of total loans for the period December 31, 2022.

As of December 31 2022, the number of Bank Jatim Micro, Retail and Program credit debtors was recorded at 191,725 debtors, a decrease of 76,752 debtors or 28.59% from 268,477 debtors in 2021.



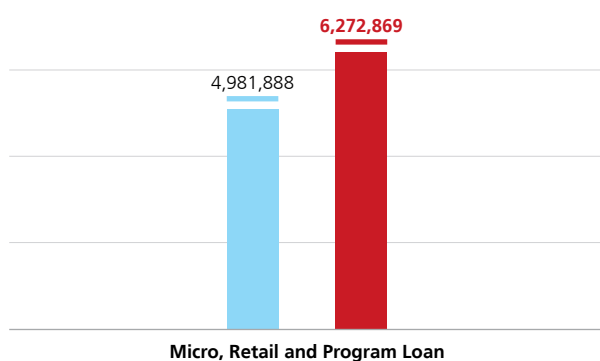
Table of Micro, Retail and Program Debtors

(in person)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Jatim Retail Loan	18,190	20,417	(2,227)	(10.91%)
Laguna Micro Loan	108	158	(50)	(31.65%)
BPR Linkage Loans	61	72	(11)	(15.28%)
People's Business Loans (KUR)	23,269	4,932	18,337	371.80%
Loans to Cooperatives For its members (KKPA)	14,585	16,641	(2,056)	(12.36%)
Loans to Cooperatives (KKOP)	43	49	(6)	(12.24%)
Micro Small Business Loans (KUMK) SU-005/ Government Investment Loans (KIP)	17	28	(11)	(39.29%)
Cattle Breeding Business Loans (KUPS)	3	5	(2)	(40.00%)
Food and Energy Security Loans (KKPE)	60	65	(5)	(7.69%)
Jatim Micro Loans	8,864	9,906	(1,042)	(10.52%)
Linkage Fintech Loan	125,440	214,906	(89,466)	(41.63%)
SiUMI Loans	1,061	1,217	(210)	(16.52%)
BPR RC Loan (Newspaper Account)	16	19	(3)	(15.79%)
Total Debtors	191,725	268,477	(76,752)	(28.59%)

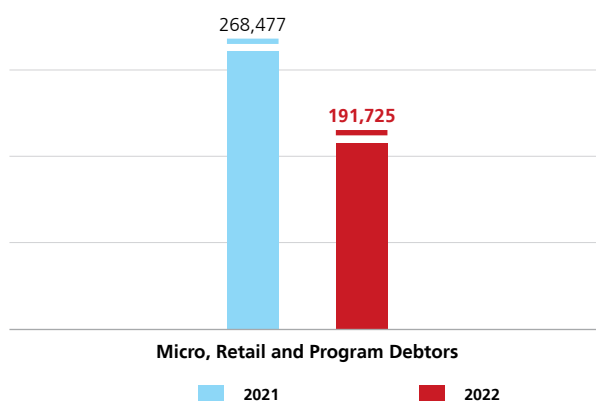
Graph of Micro, Retail and Program Loan

(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**
 Retail Jatim loans in 2022 reached IDR1.62 trillion, a decrease of IDR41.58 billion or 2.50% compared to 2021 of IDR1.66 trillion. The number of debtors for Retail Jatim Loans decreased by 2,227 debtors or 10.91% from 20,417 debtors in 2021 to 18,190 debtors in 2022.
- Laguna Micro Loan**
 Laguna Micro Loans in 2022 reached IDR399 million, a decrease of IDR1.13 billion or 73.82% compared to 2021 of IDR1.52 billion. The number of debtors for the Laguna Micro Loan decreased by 50 debtors or 31.65% from 158 debtors in 2021 to 108 debtors in 2022.
- BPR Linkage Loans**
 The BPR Linkage Program Loans in 2022 reached IDR217.96 billion, a decrease of IDR52.37 billion or 19.37% compared to 2021 of IDR270.33 billion. The number of BPR Linkage Program Loan debtors decreased by 11 debtors or (15.28%) from 72 debtors in 2021 to 61 debtors in 2022.
- People's Business Loans (KUR)**
 People's Business Loans in 2022 reached IDR2.44 trillion, an increase of IDR1.86 trillion or 322.39% compared to 2021 of IDR576.60 billion. The number of People's Business Credit (KUR) debtors increased by 18,337 debtors or 371.80% from 4,932 debtors in 2021 to 23,269 in 2022.
- Loans to Cooperatives For its Members (KKPA)**
 Loans to Cooperatives for Members (KKPA) in 2022 reached IDR527.37 billion, a decrease of IDR48.07 billion or 8.35% compared to 2021 of IDR575.44 billion. The number of debtors for Cooperative Loan for Members (KKPA) decreased by 2,056 debtors or 12.36% from 16,641 debtors in 2021 to 14,585 debtors in 2022.

- **Loans to Cooperatives (KKOP)**

Loans to Cooperatives (KKOP) in 2022 reached IDR20.06 billion, an increase of IDR1.01 billion or 5.29% compared to 2021 of IDR19.06 billion. The number of Loan to Cooperative debtors (KKOP) decreased by 6 debtors or 12.24% from 49 debtors in 2021 to 43 debtors in 2022.

- **KUMK SU-005/KIP**

KUMK SU-005/KIP in 2022 reached IDR1.58 billion, a decrease of IDR1.40 billion or 46.96% compared to 2021 of IDR2.98 billion. The number of KUMK SU-005/KIP debtors decreased by 11 debtors or 39.29% from 28 debtors in 2021 to 17 debtors in 2022. This was because Bank Jatim did not extend these loans since 2019.

- **Cattle Breeding Business Loans (KUPS)**

Cattle Breeding Business Loans (KUPS) in 2022 amounted to IDR2.14 billion, a decrease of IDR1.89 billion or 46.91% compared to 2021 of 4.04 billion. The number of debtors for the Cattle Breeding Business Loans decreased by 2 debtors or 40% from 5 debtors in 2021 to 3 debtors in 2022. This was because Bank Jatim did not extend these loans since 2015.

- **Food and Energy Security Loans (KKPE)**

Food and Energy Security Loans (KKPE) in 2022 reached IDR317 million, a decrease of IDR453 million or 58.79% compared to 2021 of IDR770 million. The number of debtors for Food Security and Energy Loans decreased by 5 debtors from 65 debtors in 2021 to 60 debtors in 2022. This was because Bank Jatim did not disburse the loans since 2016.

- **Jatim Micro Loan**

East Java Micro Loans in 2022 reached IDR797.27 billion, a decrease of IDR242.91 billion or 23.35% compared to 2021 of IDR1.04 trillion. The number of debtors for the East Java Micro Loans decreased by 1,042 debtors or 10.52% from 9,906 debtors in 2021 to 8,864 debtors in 2022.

- **Linkage Fintech Loan**

Linkage Fintech loans in 2022 reached IDR469.89 billion, a decrease of IDR113.67 billion or 19.48% compared to 2021 of IDR583.56 billion. The number of Fintech Linkage Loan debtors decreased by 89,466 debtors or 41.63% from 214,906 debtors in 2021 to 125,440 debtors in 2022. This was due to the fact that from January to March 2022 the FSA temporarily stopped lending.

- **SiUMI Loan**

SiUMI loans in 2022 reached IDR77.85 billion, a decrease of IDR49.41 billion or 38.83% compared to 2021 of IDR127.26 billion. The number of SiUMI Loan debtors decreased by 210 debtors or 16.52% from 1,271 debtors in 2021 to 1,061 debtors in 2022.

- **BPR RC Loan (Newspaper Account)**

BPR Current Account loans in 2022 amounted to IDR98.90 billion, a decrease of IDR16.04 billion or 13.96% compared to 2021 of IDR114.94 billion. The number of BPR Current Account Loan debtors decreased by 3 debtors or 15.79% from 19 debtors in 2021 to 16 debtors in 2022.

Micro, Retail and Program Loan Strategy in 2022

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

1. Improving provisions (SOP) to support the achievement of the targets of the Micro, Retail and Program Credit Division.
2. Developing the E-Loan and Jatim Kilat applications by mobile as a way to more quickly process loan applications.
3. Collaborating with related agencies to open up opportunities for greater credit expansion, especially in East Java.
4. Penetrating the market to maximize lending to MSMEs.
5. Increasing the distribution of Micro, Retail and Program Credit through collaboration with Fintech companies.
6. Expanding the MSME target market by collaborating with associations and increasing cooperation with all BUMDES in East Java.
7. Providing loan product promotions through print/electronic/ social media and create product videos.
8. Improving monitoring of the implementation of credit expansion in order to maintain the collectibility of current loans.
9. Improving brand image by participating in various promotional activities or exhibitions held by the Bank, local regional government, or in collaboration with various related agencies.
10. Expanding financing and funding cooperation with BPR Perbamida and Perbarindo.

Retail Micro and Programs Loans Competitive Advantage and Innovation

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 with competing banks.
5. The loan installment scheme could be adjusted to the needs of the debtor

Micro, Retail and Program Loan Business Prospect in 2023

The business prospects for Retail Micro Loans and Programs, especially for People's Business Loans (KUR) products in 2023, will be very good. People's Business Credit (KUR) is a Bank Jatim product that is channeled to provide capital, especially to MSME debtors with a maximum credit limit of IDR500 million. The People's Business Credit Scheme (KUR) is still the mainstay of Bank Jatim in channeling Productive Credit (MSMEs). This was influenced by the realization of the People's Business Loans (KUR), which had been disbursed until the end of December 2022, reaching IDR2.44 trillion with a total of 23,269 debtors. This value grew exponentially compared to the same position last year of only IDR576.60 billion with a total of 4,932 debtors in December 2021.

Retail Micro Credit and Program Strategy 2023

The description of the Retail Micro and Programs Loan strategy to be implemented in 2023 is presented as follows:

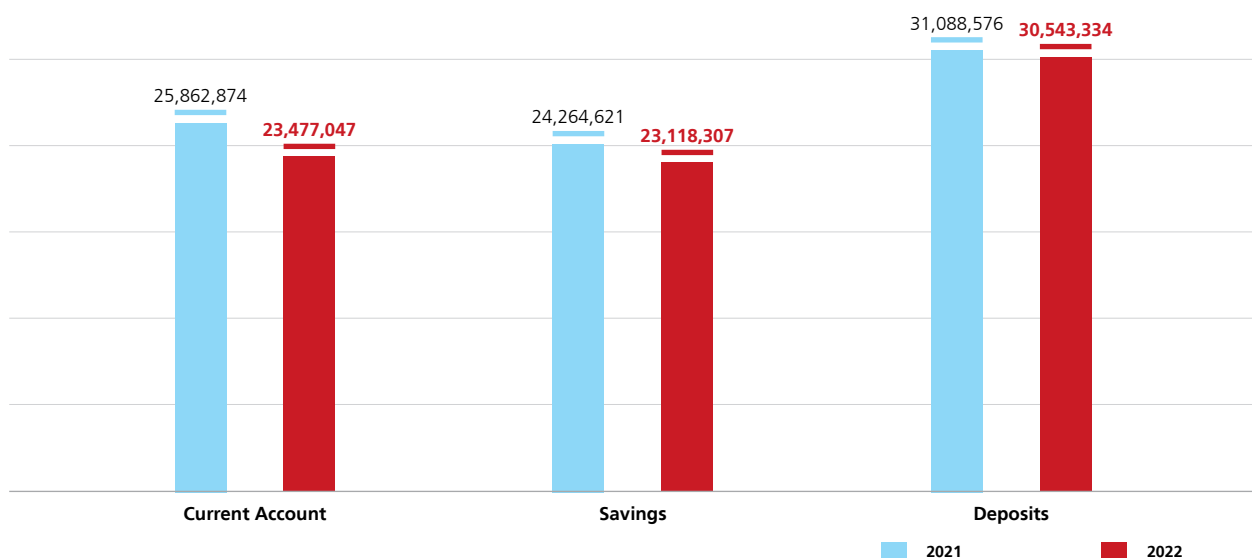
1. Improving monitoring of the implementation of credit expansion in order to maintain the collectability of current loans;
2. Penetrating the market to maximize lending to MSMEs;
3. Developing the Jconnect E-Loan and Jatim Kilat mobile applications as a way to accelerate the credit application process for prospective MSME debtors;
4. Making improvements to the provisions (SOP) to support the achievement of the targets of the Micro, Retail & Program Credit Division;
5. Increasing cooperation with the Ministry of Agriculture regarding access to capital for Akur Farmers in several districts;
6. Increasing the distribution of Micro, Retail and Program Credit through collaboration with other Fintech companies;
7. Expanding the MSME target market by collaborating with associations and increasing collaboration with all BUMDES in East Java;
8. Expansion of financing and funding cooperation with BPR Perbameda and Perbarindo;
9. Providing loan product promotions through print/electronic/ social media and create product videos;
10. Improving brand image by participating in various promotional activities or exhibitions held by the Bank, local regional government, or in collaboration with various related agencies.

THIRD-PARTIES FUNDS/SAVING

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

Graph of Third-Parties 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 Current Account could also be opened in Rupiah and foreign currency (EUR, JPY, SGD, and USD). Bank Jatim Current Account was available for the public (individuals and companies), as well as for local governments.

Bank Jatim Current Account productivity is described as follows:

Table of Current Accounts Productivity

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Local Government Current Accounts	17,766,614	16,440,199	1,326,415	8.07%
General Current Accounts	5,710,433	9,422,675	(3,712,242)	(39.40%)
Total	23,477,047	25,862,874	(2,385,827)	(9.22%)

Current accounts in 2022 reached IDR23.48 trillion, down 9.22% compared to 2021 which reached IDR25.86 trillion. The decrease mainly came from General Current Accounts of IDR3.71 trillion.

Regional Government Giro was a current account owned by the Regional Government level I and level II. Regional government current accounts in 2022 reached IDR17.77 trillion, an increase of 8.07% compared to 2021 reaching IDR16.44 trillion. Meanwhile, the General Current Account decreased by 39.40%, from IDR9.42 trillion in 2021 to IDR5.71 trillion in 2022.

Savings

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

Bank Jatim Savings productivity is described as follows:

Table of Savings Productivity

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Simpeda	16,468,555	16,010,311	458,244	2.86%
Siklus	2,655,680	4,702,025	(2,046,345)	(43.52%)
Hajj Savings	18,428	20,942	(2,514)	(12.00%)
TabunganKu	3,904,028	3,469,603	434,425	12.52%
Simple Savings	71,322	61,275	10,047	16.40%
Sinyal Savings	294	467	(173)	(37.04%)
TOTAL	23,118,307	24,264,622	(1,146,315)	(4.72%)

Total savings in 2022 reached IDR23.12 trillion, a decrease of 4.72% compared to 2021 which reached IDR24.26 trillion. This

decrease was mainly due to the decrease in Cycle Savings growth which reached IDR2.05 trillion.

The description of savings performance is presented as follows:

- Simpeda**
In 2022, the total of Simpeda Savings was IDR16.47 trillion, an increase of IDR458.24 billion or 2.86% compared to 2021 of IDR16.01 trillion. The increase number In line with Simpeda Savings customers which also experienced an increase of 2.86% due to growth in financial literacy in the regions.
- Siklus**
The total collection of funds from Cycle Savings in 2022 was IDR2.66 trillion, a decrease of IDR2.65 trillion or 43.52% compared to 2021 of IDR4.70 trillion. The decreased number of Siklus Savings customers is due to the decline in community financial activities amid the Covid-19 pandemic.
- Hajj Savings**
The total Hajj Savings in 2022 was IDR18.43 billion, down IDR2.05 billion or 12.00% compared to 2021 of IDR20.94 billion. Furthermore, the number of Hajj Savings customers is declining due to the decrease in hajj quota in 2022.
- TabunganKu (My Savings)**
The total fundraising from the My Savings product in 2022 was IDR3.91 trillion, an increase of IDR434.43 billion or 12.52% compared to 2021 of IDR3.47 trillion. This increase aligns with the number of customers for the TabunganKu product because there are many financial literacy enthusiasts in the school environment.
- Simpanan Pelajar (Simple)**
Total Student Savings (SIMPEL) in 2021 reached IDR71.32 billion, an increase of IDR10.05 billion or 16.40% compared to 2021 of IDR61.28 billion. Align with the rising number of Student Savings (SIMPEL) customers due to increasing promotional programs in the student environment.
- Simpanan Nelayan (Sinyal)**
Total Fishermen Savings (Signals) in 2022 reached IDR294 million, a decrease of IDR173 million or 37.04% compared to 2021 of IDR467 million. The declined numbers of Sinyal Savings align with the small population of fishermen and the popularity of Simpeda Savings in public due to the prize and lottery program it offers.

Deposits

Time deposits are the best choice for individuals and companies who want to invest their funds in a safe and reliable place. Funds are guaranteed by the Government through the Deposit Insurance Corporation (LPS) with certain conditions. Time Deposits can be opened in Indonesia Rupiah and Foreign Currency (USD and SGD).

Bank Jatim Deposits productivity is described as follows:

Table of Deposits Productivity

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Deposits	30,543,334	31,088,576	(545,242)	(1.75%)

Bank Jatim deposits can be used as collateral for loans with competitive interest rates and can be negotiated. Deposits in 2022 reached IDR30.54 trillion, a decrease of 1.75% compared to 2021

which reached IDR31.09 trillion. Many customers plan to use these funds for working capital in 2022, affecting the declining number of customers.

Third Parties Fund Strategy in 2022

The description of the third party fund strategy carried out in 2022 was as follows:

- Distribution of Assistance Programs with Non-Cash Systems.
- Opening a Bank Jatim Account for School partners on the SiBOS application.
- Collaboration with the Education Office of East Java Province.
- Financial Service Collaboration with Hospitals in the East Java region.
- Cooperation with East Java Schools, Universities and Islamic Boarding Schools.
- Implementation of cooperation with Employment BPJS and Health BPJS.
- Opening a Savings Account for every student in East Java (KEJAR).
- QRIS Implementation Optimization.
- Promo Event Programs (Financial Inclusion) such as the Like Cycle, member get member, and others.
- Simpeda Lottery Program and Cycle Lottery.
- Implementation of collaboration with Grab.

Third Party Funds Competitive Advantage and Innovation

The competitive advantages and innovations that third party funds have are as follows:

1. Optimizing non-cash financial services with Regional Governments
2. Digital supply chains/ecosystems or facilitating local government financial transaction services in the digital payment ecosystem.
3. Educational services and financial literacy within the scope of education in East Java.
4. Transaction promo program at Bank Jatim QRIS merchants.
5. Providing addit value to customers by giving sweepstakes and promos to all types of customers.

Third Parties Funds Business Prospect in 2023

A description of the third party fund business prospects which are as follows:

1. KEJAR (One Student Account).
2. Optimization of Smart Practice.
3. Optimizing QRIS implementation.
4. New collaboration approach and maintenance of existing cooperation with corporate institutions.
5. Cooperation with the Import-Export Association.

Third Party Funds Strategy in 2023

The description of the third party fund strategy that will be carried out in 2023 is as follows:

1. Opening a Savings Account for every student in East Java with an initial target stimulation of approximately 50,000 accounts, Simple Day (4 Branches: Kepanjen in March, April to July in 3 Branches including Tuban, Mojokerto, Dr. Soetomo), offline and online literacy education, collaboration with Government programs and OJK (student scholarships), collaboration with school programs including Mini Bank and Laku Pandai Agents;
2. Increasing the number of laku pandai agents, increasing the transaction volume of laku pandai agents through improving/simplifying the process of registering for prospective laku pandai agents, conducting promo and reward programs, conducting gatherings, conducting online/offline monitoring and evaluation, conducting socialization and literacy in collaboration with local agencies, optimizing the one village one laku pandai program.
3. QRIS merchant acquisition program, by targeting modern market traders, malls, and retail traders.
4. Collaboration on funds placement and maintenance and exploring the potential of existing corporate customers, at least 5 customers in each branch.
5. Collaborative training for 100 MSMEs with export potential fostered by the Association of Indonesian Export Entrepreneurs (GPEI).
6. Collaboration on import seminars and training with the Indonesian National Importers Association. (GINSI)

OTHER SERVICES

Other services consist of Treasury and Bank Jatim Custodian.

Treasury

In line with Treasury's role as one of the pillars of Bank Jatim's profit growth supported by professional and reliable staff, the Treasury Division continued to improve Treasury business activities. The main role of the Treasury in banking was to maintain adequate bank liquidity and be responsible for managing the bank's assets and liabilities as well as making an optimal contribution to Bank Jatim's profits in the form of interest and non-interest income (fee base income). In its management, banks faced global and domestic markets which moved very dynamically so that they had to always go hand in hand with the latest market developments, especially from a regulatory and business perspective.

Treasury business basically became a complement and balancing the main business of the bank in the field of fundraising and lending as an intermediary institution. Treasury functioned to optimize access to existing funds in various Treasury instruments both in the money market and capital market with yield

enhancement motives. Conversely, if funds were needed other than third party funds; the Treasury's role was to seek funds in the market either through interbank loans, repos or issuance of debentures. Bank Jatim Treasury business included money market transactions (money market), securities transactions (fixed income) and foreign exchange transactions (foreign exchange) which are carried out by dealing room units under the Treasury Division. These transactions are interbank conducted with Bank and non-Bank counterparties (securities).

Bank Jatim's Treasury business consisted of portfolio management for placements with Bank Indonesia, placements with other banks, securities and reverse repo. In 2022, there was a decrease in portfolio management by 4.48% from IDR45,281 billion in 2021 to IDR43,251 billion in 2022. The largest portion of Treasury asset management lied in the securities portfolio. Furthermore, the description of each portfolio was as follows:



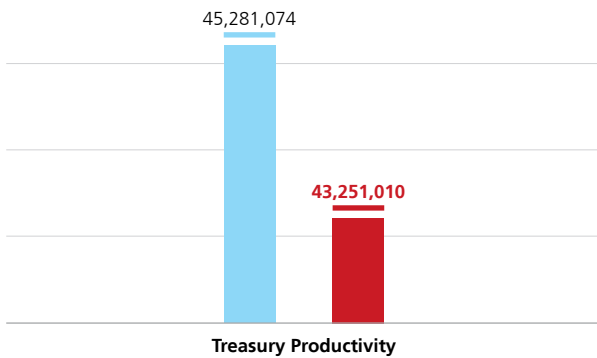
Table of Treasury Portfolio as of December 31, 2022 and 2021

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Placement with Bank Indonesia	2,600,000	6,900,000	(4,300,000)	(62.32%)
Placement with Other Bank	4,165,000	1,889,000	2,276,000	120.49%
Securities	22,227,550	31,016,389	(8,788,839)	(28.34%)
Reverse Repo Receivables	7,813,460	3,420,685	4,392,775	128.42%
Repos Obligation	4,050,000	-	4,050,000	100.00%
Loans With Other Bank	2,395,000	2,055,000	340,000	16.55%
Total	43,251,010	45,281,074	(2,030,064)	(4.48%)

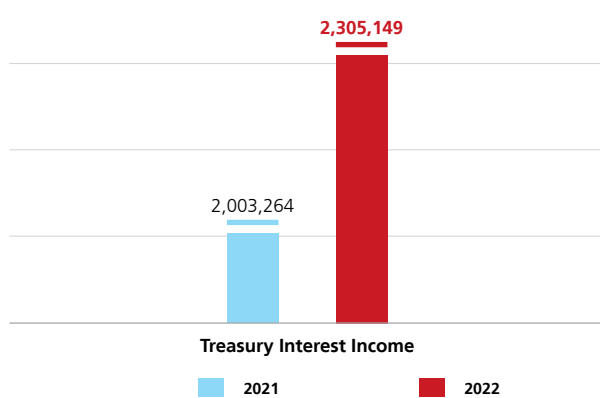
Graph of Treasury Productivity

(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 2022 when compared to 2021. The trend of rising interest rates that occurred

during 2022 was put to good use even though the Treasury's managed funds experienced a decline. Furthermore, the details of interest income from the Treasury business are as follows:

Table of Treasury Interest Income

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Placement with Bank Indonesia	64,104	131,523	(67,419)	(51.26%)
Placement with Other Bank	87,834	72,370	15,464	21.37%
Securities	1,693,450	1,420,594	272,856	19.21%
Reverse Repo Receivables	459,760	378,777	80,983	21.38%
Total	2,305,149	2,003,264	301,885	15.07%

Throughout 2022, Bank Indonesia raised the BI 7-Day Reverse Repo Rate (BI7DRR) by 200 bps from 3.50% to 5.50%. The increase was carried out in stages 5 (five) times from August 2022 to December 2022. In 2022, geopolitical tensions caused by the continuation of the war between Russia - Ukraine and the imposition of sanctions against Russia resulted in limited world energy and food supplies so that energy prices and some foodstuffs soared very high. Meanwhile, the ongoing trade war between the US and China as well as restrictions on mobility related to Covid-19 in China exacerbated disruptions to global supply chains and Chinese tourist travel to various parts of the world. At the same time, very high energy and food prices caused soaring global inflation and prompted central banks in developed countries, especially the US, to increase their interest rates aggressively in order to tighten their monetary policy. The US Fed's interest rate hike also pushed up the US dollar exchange rate and put depreciating pressure on various world currencies, including the Rupiah exchange rate.

Bank Jatim's liquidity conditions during 2022 experienced a slight decrease from the previous year but were considered to be quite ample, because bank credit growth and financing began to grow quite significantly. In order to optimize income from idle funds, banks will still provide the largest portion of securities management in the capital market in 2022, considering that this portfolio provides quite high returns when compared to other instruments. The purchase of securities is primarily intended to fulfill the Macroprudential Liquidity Buffer ratio (PLM), the Macroprudential Intermediation Ratio (RIM) is also used as an investment instrument that can increase interest income for the Bank. Due to the implementation of these strategies, the Bank was able to maintain performance in the Treasury business with interest income on securities growing by 19.21% from IDR1,420 billion in 2021 to IDR1,693 billion in 2022.

Bank Jatim is also able to manage liquidity efficiently while continuing to apply the principle of compliance with Bank Indonesia regulations regarding minimum reserve requirements and Net Open Position (NOP) throughout 2022. The realization of the Rupiah GWM on December 31, 2022 was 12.15% above the Bank Indonesia regulation of 9%. Meanwhile, the realization of GWM in foreign currency on December 31, 2022 was 7.39% above Bank Indonesia's regulation of 4%. For Bank NOP, the

realization on December 31, 2022 was 3.48%, still within the Bank Indonesia regulatory limit of 20%. During 2022, Treasury as a whole posted a total interest income of IDR2,305 billion, growing 15% from 2021 of IDR2,003 billion. This income was also added with fee-based income originating from foreign exchange transactions and trade finance of IDR14 billion, up 154% from 2021 so that the total income recorded by the Treasury was IDR2,319 billion.

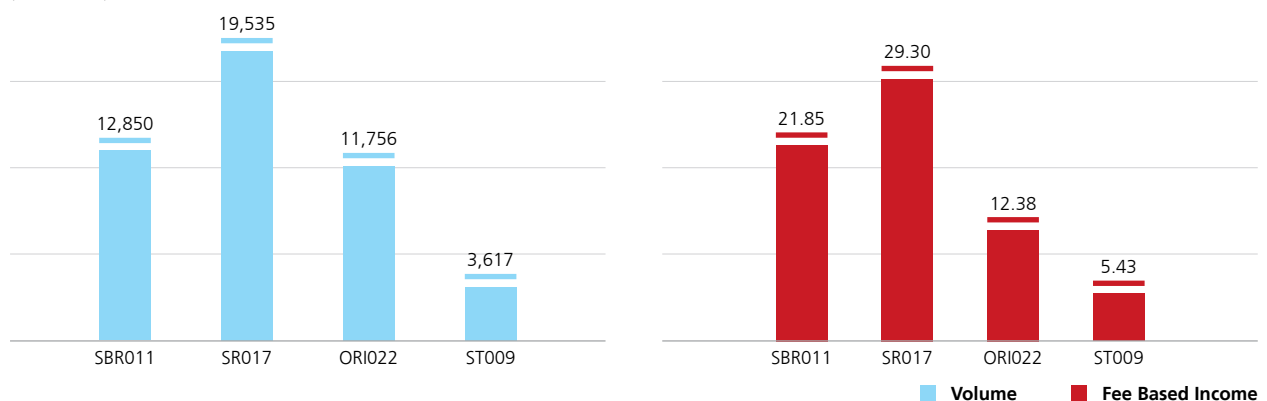
Treasury Competitive Advantage and Innovation

The development of the Treasury business, especially for the retail segment, was supported through the Bank Jatim network spreading throughout the East Java region plus branch offices in the Jakarta and Batam areas. In order to increase productivity and provide a sustainable contribution to the Bank's performance in general, during 2022 Treasury developed a currency conversion feature on the Bank's mobile banking application. In addition, the Treasury also developed instruments for buying and selling foreign currencies with customers, in this case called the FX Forward Instrument. FX Forward was one of the hedging instruments that could be enjoyed by customers with the aim that customers could avoid the risk of exchange rate differences from movements in the Rupiah exchange rate against foreign currencies. In addition, customers got exchange rate certainty according to the agreed contract so that customers got cash flow certainty both to be received and to be issued.

For the securities transaction segment with customers, Treasury also initiated the development of the JConnect Invest application, which was a mobile-based online securities investment platform that could be downloaded on the Playstore and Appstore and integrated with distribution partners and the Ministry of Finance. JConnect Invest was presented in the context of added value for customers as a strategy for Bank Jatim in banking competition in the digitalization era. This application provided retail government securities (SBN) investment products with offered on the primary market that could be used by bank customers to invest in securities. The JConnect Invest application was launched in March 2022 with an initial offering of the SBR011 product with a total offering of 4 series of Retail SBN throughout 2022. The following was retail SBN sales activity through JConnect Invest during 2022:

Graph of Retail SBN Sales Activities in 2022

(in IDR million)



Treasury Business Prospects and Strategies for 2023

In 2023, Bank Jatim will still face a challenging year for the Treasury business due to uncertainty caused by increasing recession risks in various countries, especially those in the US, Europe and Latin America Regions. Treasury will continue to strive to improve its role in optimizing bank business growth in terms of managing liquidity, raising funds, increasing profits and increasing transactions. Treasury will still optimize idle funds through investment by prioritizing the principle of prudence in instruments that generate high yields for the Bank, especially by maintaining the size of the existing securities portfolio.

In order to increase transactions and obtain fee-based income and expand bank market share, Treasury will develop digitalization which has become a trend and change the lifestyle of people at all levels where one of the segments that has massively transformed digitally is the world of banking. To be able to compete amidst the onslaught of competitors and as a form of seriousness in providing the best service for the community, in 2023 a digital-based banking will be developed, namely Mobile Cross Currency. Mobile Cross Currency is an application in the form of mobile banking for buying and selling foreign exchange transactions against Rupiah. This service was created to meet customer needs regarding buying and selling foreign exchange easily anywhere

Bank Jatim Custodian productivity is described as follows:

Table of Bank Jatim Custodian Productivity

(in IDR million)

Description	2022	2021	Pertumbuhan	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Asset Under Custody				
January	1,877,900	1,408,000	469,900	33.37%
February	1,737,900	1,448,000	289,900	20.02%
March	1,815,900	1,820,000	(4,100)	(0.23%)
April	1,805,900	2,136,000	(330,100)	(15.45%)
May	1,761,400	2,246,000	(484,600)	(21.58%)
June	1,730,100	2,211,000	(480,900)	(21.75%)
July	1,821,600	2,167,000	(345,400)	(15.94%)
August	2,274,600	2,117,000	157,600	7.44%
September	2,224,600	2,039,500	185,100	9.08%
October	2,109,600	1,914,900	194,700	10.17%
November	1,895,700	1,877,900	17,800	0.95%
December	1,891,700	1,877,900	13,800	0.73%
Mature Effect	1,291,900	614,100	677,800	110.37%

Total assets under custody in 2022 reached IDR1.89 trillion, an increase of 0.73% compared to 2021 which reached IDR1.88 trillion.

and anytime without having to come to the service office. It is hoped that this will make it easier for Bank Jatim customers in particular to be able to transact anywhere and anytime.

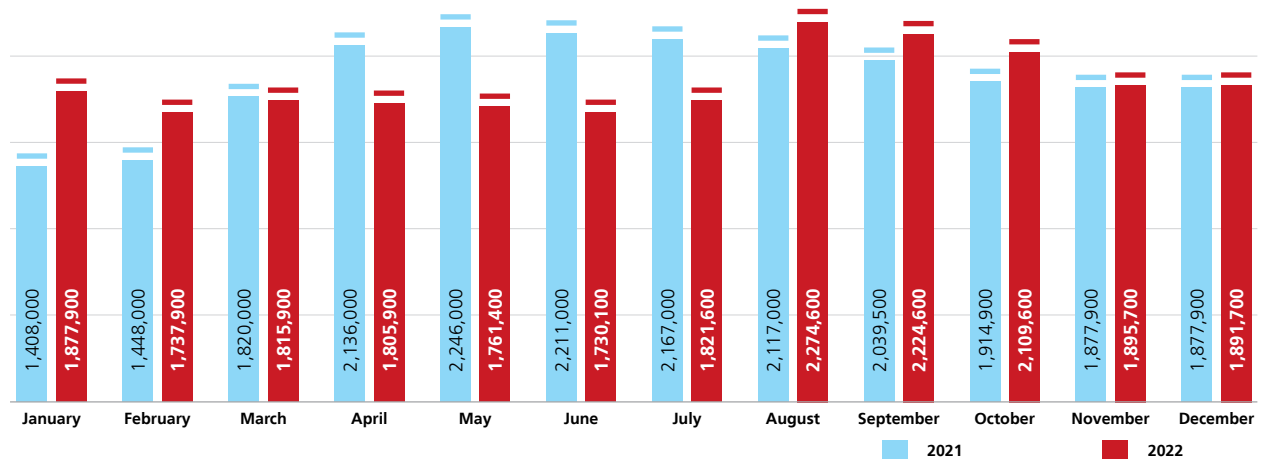
Bank Jatim Custodian

Treasury Business PrBank 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.

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. In addition, the amount of savings for securities management in 2022 reached IDR789,932,111.11.

Bank Jatim Custodian Strategy in 2022

The strategies that had been carried out by the Custodian Bank Jatim throughout 2022 are presented as follows:

1. Approaching local governments throughout East Java to become custodian customers
2. Cooperating with Custodian Services with the Pension Fund Foundation in East Java.
3. Collaborating with Custodian Services with the Regency and City Regional Financial and Asset Management Agencies (BPKAD) in the East Java region.
4. Marketing custodial services to fellow Regional Development Banks (BPD) with more competitive storage costs.

Bank Jatim Custodian Competitive Advantage and Innovation

Bank Jatim Custodian competitive advantage and innovations include:

1. Competitive safe keeping costs.
2. Provide additional services related to reporting for free.

Bank Jatim Custodian Business Prospects for 2023

The business prospects of Bank Jatim Custodian in 2023 are as follows:

1. Collaboration of Custodian Services with the Bank Jatim Pension Fund Foundation.
2. Collaboration of Custodian Services with Pension Fund Foundations in the East Java region.
3. Collaboration of Custodian Services with Regional-Owned Enterprises and Private Companies in the East Java region.
4. Cooperation of Custodian Services with BPD in Indonesia.

Bank Jatim Custodian Strategy for 2023

The strategy to be carried out by the Bank Jatim Custodian for 2023 is as follows:

1. System creation forms SID and SRE through J-Invest which are synchronized with CBEST.
2. Updating the core custodial system that can accommodate reconciliation, electronic proxy delivery and adjustments to C-Best Next G.
3. Development of a core custodian system related to menu inquiry facilities for custodian customer portfolios.
4. Marketing custodial services to fellow BPD Banks with more competitive deposit fees.

Conventional Segment Income and Profitability

The operating income of the conventional segment in 2022 reached IDR5,975,236 million, an increase of 12.90% compared to the previous year, which reached IDR5,292,316 million. The growth came from an increase in interest income.

The operating profit of the conventional segment in 2022 reached IDR190,203,035 million, an increase of 7.03% compared to the previous year, which reached IDR1,777,161 million. This stems from the decline in the formation of credit CKPN.

Table of Conventional Segment Income and Profitability

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Asset	99,959,909	96,886,535	3,073,374	3.17%
Liabilities	88,554,718	85,990,345	2,564,373	2.98%
Operating Income	5,975,236	5,292,316	682,920	12.90%
Operating Profit	1,902,035	1,777,161	124,874	7.03%

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, 3 (three) Cash Offices, 8 (eight) Sharia Payment Points, 105 Agents of Laku Pandai Sharia, 195 Sharia Service Offices (KLS), 26 (twenty six) 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 (Wadi'ah), iB Barokah Current Account (Mudharabah), Sempel iB Savings, TabunganKu iB, Umroh iB Amanah Savings, SiPandai iB Barokah Savings, Santri (Student) Savings, Barokah Savings, iB Barokah Sejahtera Savings, Haji iB Amanah Savings, Haji iB

Amanah Savings, iB Barokah Pension and Barokah Deposits. An explanation of each Sharia Funding product has been presented in the Profiles section of the Products and Services Sub-Chapter in this Annual Report.

The description amount of Sharia Funding Segment is presented as follows:

Table of Total Funding

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
iB Barokah Current Account (Wadi'ah)	156,090	110,616	45,474	41.11%
iB Barokah Current Account (Mudharabah)	1,636	2,920	(1,284)	(43.97%)
Sempel iB Savings	7,083	5,076	2,007	39.54%
TabunganKu iB	56,222	52,767	3,455	6.55%
Umroh iB Amanah Savings	4,004	4,153	(149)	(3.59%)
SiPandai iB Barokah Savings	15	-	15	100.00%
Santri (Student) Savings	13	-	13	100.00%
Barokah Savings	297,416	293,916	3,500	1.19%
iB Barokah Sejahtera Savings	7,374	1,522	5,852	384.49%
Haji iB Amanah Savings	288,567	275,510	13,057	4.74%
iB Barokah Savings Plan	1,217	1,190	27	2.27%
iB Barokah Pension Savings	23	20	3	15.00%
Barokah Deposits	1,245,458	1,238,104	7,354	0.59%
Total	2,065,118	1,985,794	79,324	3.99%

Realization of Sharia DPK in 2022 reached IDR2.06 trillion, an increase of IDR79.32 billion or 3.99% compared to 2021 of IDR1.98 trillion. Meanwhile CASA increased by IDR71.9 billion or 9.63% compared to 2021 of IDR747.69 billion.

Based on the achievement of TPF in 2022, there were three products that experienced a significant increase compared to the composition of TPF in 2021, namely the iB Barokah Sejahtera

Savings of IDR5.85 billion or 384.49%, iB Barokah Current Accounts (Wadi'ah) of IDR45.4 billion or 41.11% and Simpel iB Savings of IDR2.01 billion or 39.54%.

Meanwhile, TPF products that experienced a decrease compared to 2021 were the Barokah iB Current Account (Mudharabah) of IDR1.28 billion or 43.97% and the iB Amanah Umrah Savings of IDR149 million or 3.59%.

The description amount of Sharia Funding Segment customers is presented as follows:

Table of Funding Customers

(in number of customers)

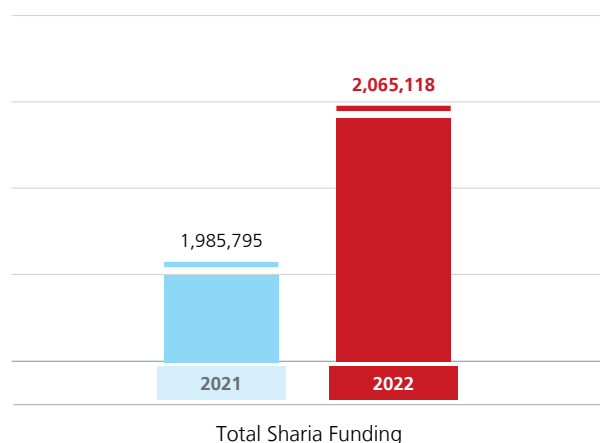
Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
iB Barokah Current Account (Wadi'ah)	1,467	1,332	135	10.14%
iB Barokah Current Account (Mudharabah)	6	4	2	50.00%
Simpel iB Savings	45,989	33,563	12,426	37.02%
TabunganKu iB	36,918	32,841	4,077	12.41%
Umroh iB Amanah Savings	1,693	1,547	146	9.44%
SiPandai iB Barokah Savings	388	-	388	100.00%
Santri (Student) Savings	1,338	-	1,338	100.00%
Barokah Savings	46,057	42,190	3,867	9.17%
iB Barokah Sejahtera Savings	77	15	62	413.33%
Haji iB Amanah Savings	127,671	124,674	2,997	2.40%
iB Barokah Savings Plan	305	257	48	18.68%
iB Barokah Pension Savings	9	8	1	12.50%
Barokah Deposits	2,752	2,768	(16)	(0.58%)
Total	264,670	239,199	25,471	10.65%

The growth in the number of deposits was followed by an increase in the number of customers. In 2022, the number of Bank Jatim UUS TPF customers is 264,670 customers, an increase of 25,471 customers or 10.65% compared to 2021.

In general, the number of customers in some UUS Bank Jatim TPF products h increased compared to 2021, but only one product decreased, namely Barokah Deposits by 16 customers or 0.58%.

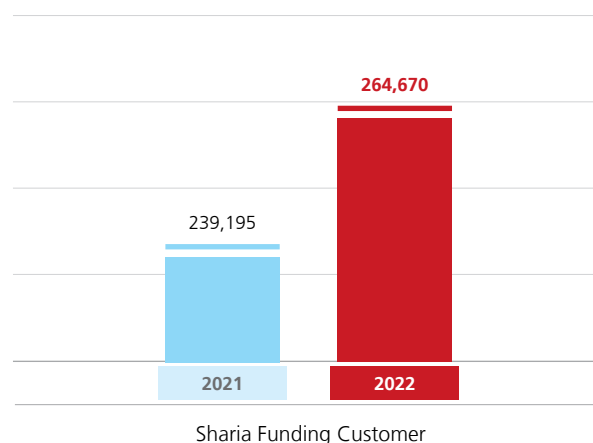
Graph of Sharia Funding Growth Number

(in IDR million)



Graph of Sharia Funding Growth in Customer Numbers

(in customer)



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

- **iB Barokah Current Account (Wadi'ah)**
Barokah iB Current Accounts (Wadi'ah) increased by IDR45.47 billion or 41.11% from IDR110.62 billion in 2021 to IDR156.09 billion in 2022. In terms of the number of customers, Barokah iB Current Accounts (Wadi'ah) grew by 135 customers or 10.14% compared to 2021.
- **iB Barokah Current Account (Mudharabah)**
Barokah iB Current Account (Mudharabah) decreased by IDR1.28 billion or 43.97% from IDR2.92 billion in 2021 to IDR1.64 billion in 2022. In terms of the number of customers, Barokah iB Current Account (Mudharabah) increased by 2 customers or 50.00%, from 4 customers in 2021 to 6 customers in 2022.
- **Simpel iB Savings**
Simpel iB Savings increased by IDR2.01 billion or 39.54% from IDR5.08 billion to IDR7.08 billion in 2022. In terms of the number of customers, Simpel iB Savings experienced an increase of 12,426 customers or 37.02% compared to last year 2021.
- **TabunganKu iB**
My iB Savings increased by IDR3.46 billion or 6.55% from IDR52.77 billion to IDR56.22 billion in 2022. In terms of the number of customers, My iB Savings experienced an increase of 4,077 customers or 12.41% compared to 2021.
- **Umroh iB Amanah Savings**
iB Amanah Umrah Savings decreased by IDR149 million or 3.59% from IDR4.15 billion to IDR4.00 billion in 2022, this was because most customers withdrew their funds to carry out the Umrah pilgrimage, bearing in mind that 2022 was the first year Umrah trips opened after being closed for a long time after the Covid-19 pandemic. However, in terms of the number of customers, iB Amanah Umrah Savings increased by 146 or 9.44% of customers in 2022.
- **SiPandai iB Barokah Savings**
The SiPandai iB Barokah Savings increased by IDR15 million from no realization to IDR15 million in 2022. In terms of the number of customers, the SiPandai iB Barokah Savings increased by 388 customers compared to 2021.

• Santri (Student) Savings

The Santri Savings increased by IDR13 million from no realization to IDR12 million in 2022. In terms of the number of customers, the Santri Savings increased by 1,388 customers compared to 2021.

• Barokah Savings

Barokah Savings increased by IDR3.50 billion or 1.19% from IDR293.92 billion to IDR297.42 billion in 2022. In terms of the number of customers, Barokah Savings experienced an increase of 3,867 customers or 9.17% compared to 2021.

• iB Barokah Sejahtera Savings

The iB Barokah Sejahtera Savings increased by IDR5.85 billion or 384.49% from IDR1.52 billion to IDR7.37 billion in 2022. In terms of the number of customers, the iB Barokah Sejahtera Savings experienced an increase of 62 customers or 413.33% compared to the year 2021.

• Hajj iB Amanah Savings

iB Amanah Hajj Savings increased by IDR13.06 billion or 4.74% from IDR275.51 billion to IDR288.57 billion in 2022. In terms of the number of customers, there was an increase of 2,997 customers or 2.40% compared to 2021.

• iB Barokah Savings Plan

The iB Barokah Plan Savings increased by IDR27 million or 2.27% from IDR1.1 billion to IDR1.2 billion in 2022. In terms of the number of customers, the Barokah iB Plan Savings experienced an increase of 48 customers or 18.68% compared to 2021.

• iB Barokah Pension Savings

The iB Barokah Pension Savings increased by IDR3 million or 15.00% from IDR20 million to IDR23 million in 2022. In terms of the number of customers, the iB Barokah Pension Savings increased by 1 customer or 12.50% compared to 2021.

• Barokah Deposits

Barokah deposits increased by IDR7.35 billion or 0.59% from IDR1.24 billion to IDR1.25 billion in 2022. In terms of the number of customers, Barokah deposits experienced a decrease of 16 customers compared to 2021, because in 2022 customers directed to invest through demand deposits and savings so that CASA increases

SHARIA FINANCING

Sharia Financing consisted of Consumer, Retail and Commercial Financing, Consumer Financing included iB Barokah Gold, KPR iB Griya Barokah, KPR Sejahtera, Employee Financing, Multipurpose iB Barokah, Ownership of iB Barokah Gold Metal, Umroh iB Maqbullah, Hajj Al Mabruur Bailout Loan. 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 SubChapter in this Annual Report.

The description amount of Sharia Financing is presented as follows:

Table of Total Sharia Financing

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Consumer				
Mortgage	22,568	22,359	209	0.94%
House Ownership Loan (KPR)	726,913	704,325	22,588	3.21%
General KPR	269,441	290,026	(20,585)	(7.10%)
Housing Finance Liquidity Facility (FLPP)	457,473	414,299	43,174	10.42%
Employee Financing	144,281	152,692	(8,411)	(5.51%)
Multipurpose	65,248	67,100	(1,852)	(2.76%)
Gold Ownership (KLE)	1,443	0	1,443	100.00%
Umroh Bailout Loan	276	18	258	1.436%
Hajj Bailout Loan	90	113	(23)	(20.35%)
Sub Total Consumer	960,819	946,607	14,212	1.50%
Linkage	69,233	43,196	26,037	60.27%
a. Cooperative Financing (PKOP)/ Cooperative Financing for Members (PKPA)	49,796	33,213	16,583	49.93%
b. Sharia Rural Bank (BPRS)	19,437	9,984	9,453	94.69%
General	794,949	710,282	84,667	11.92%
a. Investment	484,098	458,175	25,923	5.66%
b. Working Capital	297,087	249,606	47,481	19.02%
c. Factoring	13,765	2,500	11,265	450.59%
Keppres	78,470	62,283	16,187	25.99%
People's Business Credit (KUR)	0	0	0	0%
Small Micro	0	0	0	0%
Sub Total Medium Corporation	942,652	815,761	126,891	15.55%
Total	1,903,471	1,762,368	141,103	8.01%

Total financing realized in 2022 was IDR1.90 trillion, an increase of IDR141.10 billion or 8.01% compared to 2021 of IDR1.76 trillion consisting of iB Barokah Gold Pawn, KPR iB Griya Barokah, KPR Sejahtera, Employee Financing, Multipurpose iB Barokah, Gold Metal Ownership (KLE), Bail Al Mabruur Hajj, Umroh iB Maqbula, Linkage Program Financing, General Funding, and KEPPRES

Funding. The increase was due to an increase in several Financing Schemes including General Working Capital Financing of IDR47.48 billion or 19.02%, Housing Financing Liquidity Facility KPR (FLPP) financing of IDR43.17 billion or 10.42% and Investment Financing of IDR25.92 billion or 5.66%.

The composition of financing in 2022 was contributed the most by general working capital financing in which the Jatim Syariah bank participated in the syndicated working capital financing of PT Permodalan Nasional Madani (PT PNM) where financing distribution was to assist MSME businesses and syndicated investment financing for PT Pembangunan Perumahan Semarang-Demak (PT PPSD) where the distribution of financing was for the construction of the Semarang Demak toll road. The increase in General Financing was 11.92% with an increase in outstanding financing reaching IDR84.667 billion. The second largest financing was KPR Sejahtera Financing (FLPP) which was still the main focus for channeling financing to MBR because UUS Bank Jatim participated in supporting the Government's program

in distributing subsidized housing financing, which in 2022 the achievements was very satisfying. The increase in the outstanding KPR Sejahtera (FLPP) obtained in 2022 amounted to IDR43.17 billion with a percentage increase of 10.42% from 2021, while the composition of KPR-FLPP to the total outstanding KPR was 62.93%.

The growth in the amount of financing was followed by an increase in the number of customers, until December 31, 2022 the number of Bank Jatim customers was recorded at 8,508 customers, an increase of 406 customers or 5.01% compared to 2021 of 8,102 customers. The increase in the number of customers in 2022 was due to the KPR Sejahtera financing product of 341 customers.

The description Sharia Financing numbers of customers is presented as follows:

Table of Numbers of Sharia Financing Customers

(in number of customers)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Consumer				
Mortgage	1,195	1,214	(19)	(1.57%)
House Ownership Loan (KPR)	5,135	4,882	253	5.18%
General KPR	1,346	1,434	(88)	(6.14%)
Housing Finance Liquidity Facility (FLPP)	3,789	3,448	341	9.89%
Employee Financing	406	358	48	13.4%
Multipurpose	858	932	(74)	(7.94%)
Gold Ownership (KLE)	113	-	113	100.00%
Umroh Bailout Loan	7	2	5	250.00%
Hajj Bailout Loan	4	5	(1)	20.00%
Sub Total Consumer	7,718	7,393	325	4.40%
Linkage				
	223	212	11	5.19%
a. Cooperative Financing (PKOP)/ Cooperative Financing for Members (PKPA)	216	207	9	4.35%
b. Sharia Rural Bank (BPRS)	7	5	2	40.00%
General	504	452	52	11.50%
a. Investment	183	174	9	5.17%
b. Working Capital	312	277	35	12.64%
c. Factoring	9	1	8	800.00%

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Keppres	63	45	18	40.00%
People's Business Credit (KUR)	-	-	-	-
Small Micro	-	-	-	-
Sub Total Medium Corporation	790	709	81	11.42%
Total	8,508	8,102	406	5.01%

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

1. Consumer Segment

a. iB Barokah Gold (Pawn)

During 2022, there was an increase in the distribution of financing through Emas iB Barokah reaching IDR209 million or 0.94% from IDR22.359 billion in 2021 to IDR22.568 billion in 2022. Despite an increase in financing distribution, the number of customers decreased as many as 19 customers in 2022 from previously 1,214 customers to 1,195 in 2022.

b. KPR iB Griya Barokah

The composition of Bank Jatim UUS KPR was Commercial KPR and FLPP KPR. The total outstanding KPR in 2022 was IDR726.913 billion, an increase of 3.21% from financing in 2021 of IDR704.325 billion. In 2022, general mortgage distribution decreased by 7.10%, but FLPP mortgage distribution increased by 10.42% with distribution in 2022 of IDR43.174 billion distributed to 341 new FLPP mortgage customers.

c. iB Barokah Multipurpose

During 2022, UUS Bank Jatim recorded a decrease in the distribution of Multipurpose iB Barokah financing of IDR1.85 billion or 2.76% from IDR67.1 billion in 2021 to IDR65.29 billion in 2022. This decrease was also accompanied by a decrease the number of customers was 74 customers or 7.94% from 932 customers to 858 customers in 2022.

d. Ownership of iB Barokah Gold Metal

During 2022, there was an increase in the distribution of financing through Gold Metal Ownership of IDR1.44 billion or 100.00% from IDR0 billion in 2021 to IDR1.443 billion in 2022. This was also accompanied by an increase in the number of customers by 113 in 2022 from previously no customers in 2021.

e. Umroh iB Maqbulah

Distribution of the Maqbulah Umroh Umroh bailout product increased by 1,436% from IDR18 million in 2021 to IDR276 million in 2022. This was also followed by an increase in customers from 2 customers to 7 customers in 2022.

f. Talangan Haji (Bailout Loan)

Distribution of Talangan Haji products decreased by 20.00% from IDR113 million in 2021 to IDR90 million in 2022. This was also followed by a decrease in customers from 5 customers to 4 customers in 2022.

2. Retail Segment

a. Linkage Program

During 2022, UUS Bank Jatim recorded an increase in the distribution of financing with the Linkage Program pattern reaching IDR26.04 billion or 60.27% from IDR43.20 billion in 2021 to IDR69.23 billion in 2022. This increase was also accompanied by an increase in the number of customers by 11 customers or 5.19% from 212 customers to 223 customers in 2022.

3. Commercial Segment

a. General Financing

General Financing became financing for businesses, both individuals and legal entities, to meet working capital and/or investment needs. During 2022, UUS Bank Jatim recorded general financing growth of IDR84.67 billion or 11.92% from IDR710.28 billion in 2021 to IDR794.95 billion in 2022. This growth was also accompanied by a growth in the number of customers, the number of general financing customers increased by 52 customers or 11.50% to 504 customers in 2022.

b. Keppres Working Capital Financing

During 2022, UUS Bank Jatim experienced an increase in the distribution of Presidential Decree Working Capital Financing reaching IDR16.19 billion or 25.99% from IDR62.28 billion in 2021 to IDR78.47 billion in 2022. This increase was accompanied by an increase in the number customers, the number of Presidential Decree Working Capital Financing customers has increased by 18 customers or 40.00% to 63 customers in 2022.

OTHER SERVICES - SHARIA

The Sharia Treasury business includes money market and securities transactions carried out by the Sharia Treasury Group under the Sharia Business Division. The Sharia Treasury Portfolio facility includes Sharia Bank Indonesia Deposit Facilities (FASBIS), Bank

Indonesia Sukuk Interbank Deposits (SukBI), Sharia Interbank Mudharabah Investment Certificates (SIMA), 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)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Bank Indonesia Syariah Deposit Facility (FASBIS)	145,000	1,127,000	(982,000)	(87.13%)
Interbank Deposits	228	3,000	(2,772)	(92.40%)
Bank Indonesia Sukuk (SukBI)	400,000	541,392	(141,392)	(26.12%)
Sharia Interbank Mudharabah Investment Certificate (SIMA)	325,000	139,000	186,000	133.81%
Money Market Mutual Funds (RDSPU)	-	-	-	-
Limited Participation Sharia Mutual Funds (RDSPT)	25,000	44,000	(19,000)	(43.18%)
State Sharia Securities (SBSN)	102,935	110,360	(7,425)	(6.73%)
Jumlah	998,163	1,964,752	(966,589)	(49.20%)

Fasilitas Simpanan Bank Indonesia or Bank Indonesia Sharia Deposit Facility (FASBIS) is a Sharia Monetary Operation instrument through standing facilities where the Bank places rupiah funds at Bank Indonesia for the purpose of absorbing the Bank's liquidity. In 2022, FASBIS Bank Jatim Business Unit was recorded at IDR145.00 billion, a decrease of IDR982.00 billion or 87.13% from December 2021. This decrease was due to a change in investment placement strategy by optimizing management for instruments with higher yields from FASBIS, so as to increase revenue.

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 2022, the Bank Jatim Sharia Business Unit was active in participating in the SUKBI auction and was an alternative placement to maintain short-term liquidity positions. In December 2022, Bank Jatim Sharia Business Unit SUKBI was recorded at IDR400.00 billion, which was a decrease of IDR141.39 billion compared to December 2021. This was due to the preference for idle fund placement activities managed by the Bank Jatim Business Unit to switch partly to instruments with a maturity period the shorter one, namely the Interbank Mudharabah Investment Certificate (SIMA) with consideration of liquidity readiness.

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 SIMA placement position for the Bank Jatim Sharia Business Unit as of December 31, 2022 was IDR325.00 billion, an increase of IDR186.00 billion or 133.81% compared to December 2021.

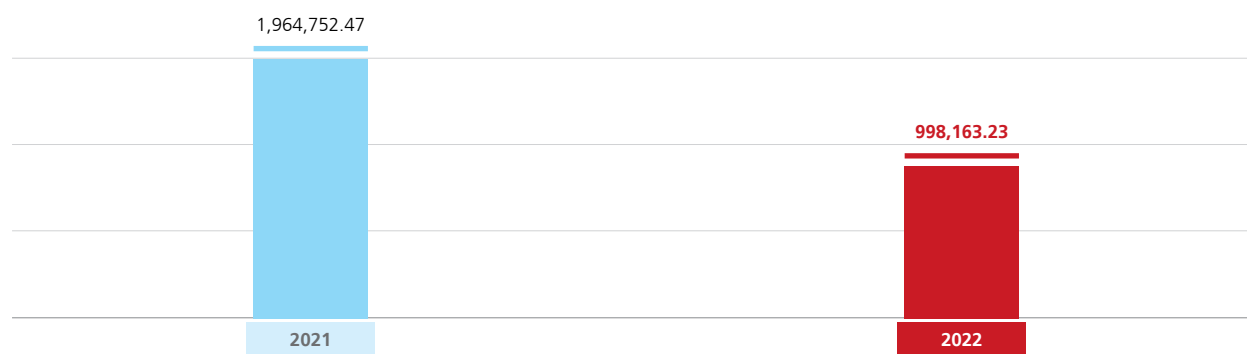
Limited Participation Sharia Mutual Fund Certificates (RDSPT) owned by the Bank Jatim Sharia Business Unit in December 2022 was a total of IDR25.00 billion. The nominal portfolio decreased by 43.18% compared to December 2021. This decrease was due to Limited Participation Sharia Mutual Fund certificates that matured in 2022.

Securities 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 owned by the Bank Jatim Sharia Business Unit were Retail Sukuk with an ijarah agreement to be leased and a project based sukuk with an ijarah to be leased contract. Overall, the SBSN owned by the Bank Jatim Sharia Business Unit decreased by IDR7.43 billion or 6.73% from IDR110.36 billion in 2021 to IDR102.94 billion. The decrease was due to amortization of premiums and discounts on securities as well as preferences for placement of idle funds managed by the Bank Jatim Business Unit to switch to short-term instruments for liquidity needs.

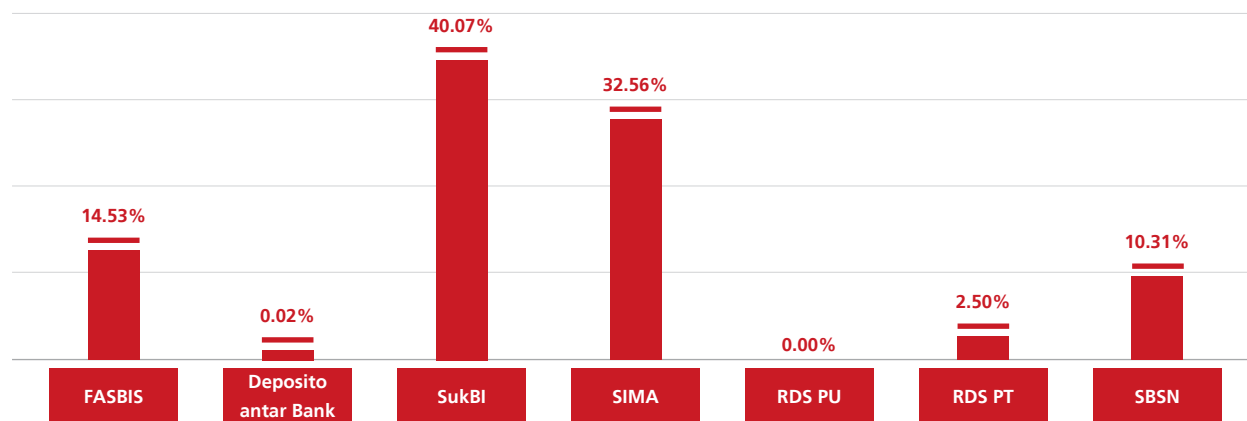
Overall in December 2022, Treasury funds managed by the Sharia Business Unit of Bank Jatim reached IDR998.16 billion or decreased by 49.20% from December 2021. of the total achievements, 87.18% were short-term placements, and only 12.82% were long-term placements.

Graph of Sharia Idle Treasury Managed Fund Portfolio

(in IDR million)



Graph of Sharia Idle Treasury Managed Fund Composition



The 3 (three) largest compositions were 40.07% placement in SUKBI with a portfolio of IDR400.00 billion, 32.56% in SIMA investment with a portfolio of IDR325.00 billion, and 14.52% FASBIS with a portfolio of IDR145.00 billion.

Sharia Segment Strategy in 2022

The funding and financing strategies for the sharia segment to be implemented in 2022 are presented as follows:

• Funding Strategy in 2022

The funding strategy for the Sharia segment was through increasing CASA and fee-based income which can be described as follows

1. 3rd Period of Spreading Barokah Program
Giving gifts to customers with a point redeem system where customers who were entitled to get points were customers with an average balance at the end of the month of 1 (one) million rupiah. While those who were entitled to redeem points were customers who had earned 500 points.

2. Hajj Barokah Program Batch 4
Providing special souvenirs in the form of prayer tools and other things for customers who registered for the initial Hajj deposit both at sharia and conventional branches was expected to increase the NOA and TPF of the iB Amanah Hajj Savings, considering that during the Pandemic there was a decrease in customers registering for the portion of Hajj.
3. Providing Rewards for Sharia Service Offices (KLS) with the most acquisition of iB Amanah Hajj Savings.
Giving rewards to KLS with obtaining the most iB Barokah Hajj Savings was expected to be able to increase the number of NoA and Nominal DPK of iB Amanah Hajj Savings.

4. The Prosperous Barokah Savings Program (TBS) Batch 6.
The TBS Batch 6 program was a program expected to increase TPF customers, especially CASA in which customers was able to receive prizes directly by depositing balances for a certain period of time.
5. Recall of 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 are an attempt by Bank Jatim Syariah to increase TPF balances. This was easier to do because previously dormant customers were familiar with Bank Jatim Syariah so it was hoped that this activity could generate customer interest in using Bank Jatim Syariah products and services.
6. Regular Webinars
Webinars were conducted regularly with Bank Jatim Syariah partners with a different theme each 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. Regular Gathering with Partners and Customers
Gatherings was held regularly with partners and customers of Bank Jatim Syariah as an effort to maintain service to customers so that it increased the number of customer transactions at Bank Jatim Syariah.
8. Collaboration with the Islamic Financial Ecosystem
Increased Cooperation that had been running with the Islamic Financial Ecosystem such as: East Java OPOP, 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
Provision of Cashcading to Sharia Branches in the form of a database of prospective customers/communities that collaborated with Bank Jatim Syariah to create a monthly agenda.
10. Increasing Sharia Brand Awareness
Collaboration with Islamic-based institutions to distribute waqf benefits or assistance to communities affected by natural disasters in the East Java region, distribute social assistance to the poor, orphan student education assistance, and other assistance that benefits the community.

• Financing Strategy in 2022

Strategic financing steps which became priority agendas to be pursued in the 2022 period, include:

1. Optimizing plans to disburse syndicated financing and other approved financing that have not been realized in the second quarter.
2. Acceleration of the process for financing proposals that have entered the process at the UUS Bank Jatim Head Office.
3. Analyst Optimization
 - a. The financing expansion target for each analyst in each branch is IDR650 million net every month.
 - b. Giving rewards/incentives is based on the achievement of the performance of each analyst.

4. Collaboration with PT Makmur Bercash Amanda (MBA) in making the Sidoarjo Halal Industrial Park (HIPS) program a success, as a program by the East Java Provincial Government to create a Rising East Java in 2021, which was a potential financing to customers for purchasing warehouses for investment.
5. Approach to Developers
 - a. The target of closing KPR financing was at least 3 (three) users per month for each developer who has PKS with sharia branches.
 - b. Collaboration with developer communities such as Himpera, Apersi, Apernas, REI, and others.
6. Approach with the UMKM Community
 - a. Cooperation with Muslimat NU throughout East Java for the distribution of microfinance.
 - b. Collaboration with Kopontren throughout East Java in the One Product Islamic Boarding School Program (OPOP).
7. Optimizing the Distribution of BMT/BPRS Linkage Finance
 - a. Distribution to local government-owned or private BPRS that had high credibility and credibility.
 - b. Reactivate the distribution of financing to cooperatives, both distribution with Executing Patterns and Channeling Patterns.

Competitive Advantage and Innovation of the Sharia Segment

Competitive advantage was obtained through sharia contracts that provide choices for the public to transact in sharia and avoid ribawi transactions. However, innovation needed to be created to maintain the convenience of customers who chose sharia transactions, including sharia digital innovation. Through different products and contracts, sharia products could be an alternative for customers in order to increase equitable investment with attractive profit sharing through profit sharing contracts or murabahah contracts with purchase of precious metals as well as being able to help relieve the customer's liquidity burden temporarily through the iB Barokah Gold product (gawn gold). It was hoped that with these advantages and innovations, the sharia segment could increase Bank Jatim's market share as a whole and was an entry barrier for other Islamic bank competitors.

Sharia Segment Prospect and Strategy for 2023

The prospects and strategies for funding and financing for the Sharia Segment to be carried out in 2023 are presented as follows:

• Funding Prospect and Strategy in 2023

The funding strategy for the Sharia segment is through increasing CASA and fee-based income which uses two strategic approaches, namely maintenance of existing customers and acquisition of new customers which are described as follows:

1. Maintenance of Existing Customers

- a. Recall of Dormant/Inactive Customers (Giro/Savings/Deposits)

Activities that must be carried out by funding officers to communicate again with customers who are no longer active in transactions but still have balances. This was done as an effort to increase DPK balances as well as croselling.

b. Implementation of the Spreading Barokah Program Period 1 of 2023

The Barokah Spread program aims to enable customers who own Barokah Savings accounts to increase the balance in their accounts. Prize giving is done through a point redeem system where customers who are entitled to get points are customers with an average balance at the end of the month of 1 (one) million rupiah. While those who are entitled to redeem points are customers who have earned 500 points.

c. Gathering with partners and potential customers on a regular basis

Gatherings will be held regularly with partners and customers of Bank Jatim Syariah in order to improve and maintain service to customers so that it will increase the number of customer transactions at Bank Jatim Syariah. One of the gatherings that will be held in the first quarter of 2023 is a youth hajj campaign for all Islamic boarding schools members of OPOP East Java together with BPKH and OPOP East Java which is expected to increase the Noa and Nominal of the iB Amanah Hajj Savings.

2. Acquisition of New Customers

a. Implementation of Hajj Barokah Program

The Hajj Barokah program is carried out in the first quarter of 2023, starting from January to March 2023. Prizes are given to customers who open an iB Amanah Hajj Savings account as well as register the portion of the pilgrimage. The prizes given to customers are in the form of gold metal weighing 0.05 grams and other attractive prizes (cluth/prayer mat/tumbler).

b. The Prosperous Barokah Savings Program (TBS) Batch 6

The TBS Batch 6 program is a program that is expected to increase Barokah Savings customers where customers will be able to receive prizes directly by depositing balances within a certain period of time. This program is valid from 1 September 2022 to 1 March 2023 and will continue to Batch 7 which is valid from 2 March to 2 September 2023. The program can also be implemented at Sharia Service Offices.

c. Collaborating with the Hajj Financial Management Agency (BPKH) in increasing Hajj registration

As an effort to increase Hajj registrants through iB Amanah Hajj Savings, Bank Jatim Syariah is collaborating with BPKH to provide a referral fee of 100 thousand for KBIH who bring their congregation to open an iB Amanah Hajj Savings account as well as registering the initial pilgrimage deposit at Bank Jatim Syariah. The mechanism for giving referrals uses a reimbursement mechanism to BPKH.

d. Collaborating with the Indonesian Waqf Agency (BWI) and the Indonesian Waqf Movement (GWI) in increasing the number of nazirs and wakifs

To increase the collection of funds in the iB Barokah Giro account through the Wakaf iB Barokah service, Bank Jatim Syariah is collaborating with BWI and GWI to socialize to nazhirs in East Java regarding the development of productive cash waqf. These activities are carried out quarterly to several areas with large waqf potential.

e. Implementation of the Virtual Santri Sholawat Competition and the Adhan competition

Collaborating with the East Java Nu Alms House, Bank Jatim Syariah held a virtual Santri prayer competition and a call to prayer competition. The participants came from Islamic boarding schools in the East Java region. This activity aims to increase the NoA and Nominal of Santri Savings where contest participants are required to open a Santri Savings account as an administrative requirement and display Bank Jatim Syariah products or services in the video sent to the competition committee.

Winners will be given coaching money which will be transferred to the Santri Savings account.

f. Giving Sponsorship in the East Java NU Alms House Podcast

Collaboration with the East Java NU Sedekah House in the podcast program is expected to increase the chances of obtaining Barokah Deposits because most of the podcast speakers held by the East Java NU Sedekah House come from entrepreneurs in East Java.

• Financing Prospect and Strategy for 2023

1. Optimizing plans to disburse syndicated financing and other approved financing that have not been realized in 2022.
2. Acceleration of the process for financing proposals that have entered the process at the UUS Bank Jatim Head Office.
3. The focus on financing distribution at Sharia Branch Offices is in accordance with the financing segmentation, namely: the micro segment, the retail segment, the middle segment, and the Consumer & Property segment. The Corporate Segment is managed by the Head Office.
4. Analyst Optimization
 - a. The target for each analyst's gross financing expansion in each branch is IDR2 billion for the micro and retail segments, while for the consumer and property segments it is IDR3 billion per month.
 - b. Giving rewards/incentives is based on the achievement of the performance of each analyst.
5. Collaboration with PT Makmur Bercash Amanda (MBA) in making the Sidoarjo Halal Industrial Park (HIPS) program a success, which is a program from the East Java Provincial Government to create a Rising East Java since 2021, which is a potential financing to customers for purchasing warehouses for investment.

6. Approach to Developers
 - a. The target of closing KPR financing is at least 3 (three) users per month for each developer who has PKS with sharia branches.
 - b. Collaborate with developer communities such as Himpera, Apersi, Apernas, REI, and others.
7. Plans for collaboration with the Government to obtain quotas for channeling KUR financing and support the work program of Bank Jatim in 2023 as a bank that has a background in MSME-based financing.
8. Approach with the MSME Community
 - a. Cooperation with Muslimat NU throughout East Java for the distribution of microfinance.
 - b. Collaboration with Kopontren throughout East Java in the One Product Islamic Boarding School (OPOP) Program.
9. Optimization of BMT/BPRS Linkage Financing Distribution
 - a. Distribution to local government-owned or private BPRS that have high credibility and credibility.
 - b. Reactivate the distribution of financing to cooperatives, both distribution with Executing Patterns and Channeling Patterns

Sharia Segment Income and Profitability

Sharia segment operating income in 2022 amounted to reached IDR196,878 million, an increase of 2.69% compared to the previous year which reached IDR191,722 million. The increase came from the Increase in Interest Income

The operating profit of the sharia segment in 2022 reached IDR38,791 million, an increase of 178.29% compared to the previous year which reached IDR13,939 million. The increase came from a decrease in the formation of CKPN Loans.

Tabel Pendapatan dan Profitabilitas Segmen Syariah

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Asset	3,071,458	3,836,795	(765,337)	(19.95%)
Liabilities	3,030,788	3,822,446	(791,658)	(20.71%)
Operating Income	196,878	191,722	5,156	2.69%
Operating Profit	38,791	13,939	24,852	178.29%

Geographic Segments

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

Geographic Segment Explanation

A geographical segment is engaged in providing services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Bank's geographical segments are East Java and other than East Java.

Geographic Productivity

Information regarding the productivity of the geographical segment of East Java has been presented in the section on explanation and productivity of the conventional segment.

Geographic Segment Revenue and Profitability

The operating income of the East Java geographical segment in 2022 reached IDR5,292,622 million, an increase of 12.55% compared to the previous year, which reached IDR4,645,401 million. The operating profit of the East Java geographical segment in 2022 reached IDR1,956,365 million, an increase of 11.65% compared to the previous year, which reached IDR1,752,248 million. The increase came from a decrease in CKPN loans.

Meanwhile, the operating income for the Java geographical segment other than East Java in 2022 reached IDR879,492 million, an increase of 4.87% compared to the previous year, which reached IDR838,637 million. Operational loss for the Java geographical segment other than East Java in 2022 reached IDR15,539 million, a decrease of 140.00% compared to the previous year, which recorded a profit of IDR38,852 million. The decline came from a decrease of CKPN loans.

Table of Geographic Segment Revenue and Profitability

(in IDR million)

Description	East java	Java Apart from East Java	Eliminasi	Total
2022				
Asset	81,433,044	22,109,020	510,697	103,031,367
Liabilities	69,971,645	22,124,559	510,697	91,585,507
Operating Income	5,292,622	879,492	-	6,172,114
Operating Profit	1,956,365	(15,539)	-	1,940,826
2021				
Asset	79,660,459	21,579,940	517,069	100,723,330
Liabilities	68,788,772	21,541,087	517,069	89,812,790
Operating Income	4,645,401	838,637	-	5,484,038
Operating Profit	1,752,248	38,852	-	1,791,100
Growth 2021-2022 (%)				
Asset	2.23%	2.45%	(1.23%)	2.29%
Liabilities	1.72%	2.71%	(1.23%)	1.97%
Operating Income	13.93%	4.87%	-	12.55%
Operating Profit	11.65%	(140.00%)	-	8.36%





Financial

Review

The financial review described below refers to the Financial Statements for the years ended December 31, 2022 and 2021 presented in this Annual Report. The Financial Statements have been audited by the Public Accounting Firm Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan 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, 2022, as well as financial performance and cash flows on year ended mentioned according to Financial Accounting Standards.

Financial Performance

Bank Jatim's financial performance consisted of the performance of the Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income as well as the Cash Flow Statement as follows.

Financial Position Report

Table of Financial Position Report

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
ASSET				
Cash	1,988,262	2,023,077	(34,815)	(1.72%)
Current accounts with Bank Indonesia	10,786,740	8,805,300	1,981,440	22.50%
Current accounts with other banks	303,129	211,681	91,448	43.20%
Allowance for impairment losses	(441)	(238)	(203)	85.29%
Current accounts with other banks - Net	302,688	211,443	91,245	43.15%
Placements with Bank Indonesia and other banks	6,916,329	9,917,695	(3,001,366)	(30.26%)
Allowance for impairment losses	(3,154)	(1,763)	(1,391)	78.90%
Placements with Bank Indonesia and other banks - Net	6,913,175	9,915,932	(3,002,757)	(30.28%
Spot and derivatives receivables	361	-	361	100.00%
Marketable Securities	23,217,671	32,388,966	(9,171,295)	(28.32%)
Allowance for impairment losses	(400)	(5,943)	5,543	(93.27%)
Marketable Securities- Net	23,217,271	32,383,023	(9,165,752)	(28.30%)
Marketable securities sold under repurchase agreement	4,095,066	-	4,095,066	100.00%
Receivables from Securities purchased under agreements to resell	7,822,847	3,420,685	4,402,162	128.69%
Other receivables	286,147	230,019	56,128	24.40%
Loans and sharia financing				
- Related parties	134,871	182,889	(48,018)	(26.26%)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
- Third parties	46,061,786	42,566,670	3,495,116	8.21%
Total Loans	46,196,657	42,749,559	3,447,098	8.06%
Allowance for impairment losses	(1,318,612)	(1,831,417)	512,805	(28.00%)
Loans - neto	44,878,045	40,918,142	3,959,903	9.68%
Accrued interest income	646,125	793,900	(147,775)	(18.61%)
Prepaid expenses	166,661	134,200	32,461	24.19%
Fixed asset				
Cost	2,109,260	1,906,263	202,997	10.65%
Accumulated depreciation	(825,010)	(762,052)	(62,958)	8.26%
Book value	1,284,250	1,144,211	140,039	12.24%
Deferred tax assets, net	502,238	627,211	(124,973)	(19.93%)
Tax receivables	493	412	81	19.66%
Other assets, net	140,998	115,775	25,223	21.79%
TOTAL ASSET	103,031,367	100,723,330	2,308,037	2.29%

LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY

LIABILITIES

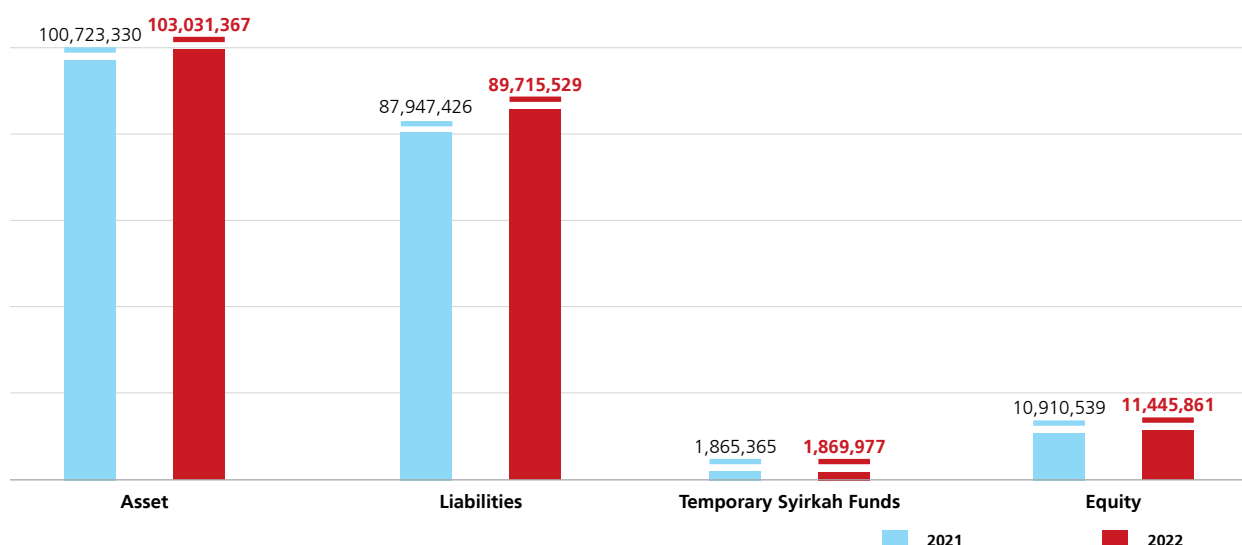
Immediate liabilities	872,514	593,875	278,639	46.92%
Deposits from customers				
- Related parties	15,295,405	17,719,735	(2,424,330)	(13.68%)
- Third parties	64,630,285	63,668,950	961,335	1.51%
Total deposits from customers	79,925,690	81,388,685	(1,462,995)	(1.80%)
Deposits from other bank				
- Related parties	141,996	360,169	(218,173.00)	(60.58%)
- Third parties	3,168,842	3,775,548	(606,706)	(16.07%)
Total Deposits from other bank	3,310,838	4,135,717	(824,879)	(19.95%)
Spot and derivatives liabilities	-	-	-	-
Liabilities of marketable securities sold under repurchase agreement	3,891,346	-	3,891,346	100.00%
Borrowings	631,464	655,288	(23,824)	(3.64%)
Tax payable	90,783	165,476	(74,693)	(45.14%)
Accrued expenses	520,840	478,647	42,193	8.82%
Other liabilities	472,054	529,738	(57,684)	(10.89%)
TOTAL LIABILITIES	89,715,529	87,947,426	1,768,103	2.01%



Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
TEMPORARY SYIRKAH FUNDS				
Deposits from customers				
- Related parties	2,302	3,021	(719)	(23.80%)
- Third parties	1,839,390	1,810,161	29,229	1.61%
Total deposits from customers	1,841,692	1,813,182	28,510	1.57%
Deposits from other bank				
- Related parties	-	-	-	-
- Third parties	28,285	52,183	(23,898)	(45.80%)
Total Deposits from other bank	28,285	52,183	(23,898)	(45.80%)
TOTAL TEMPORARY SYIRKAH FUNDS	1,869,977	1,865,365	4,612	(0.77%)
EQUITY				
Share capital:				
- Series A : IDR250 (full Rupiah) - par value per share				
- Series B : IDR250 (full Rupiah) - par value per share				
Authorized:				
- Series A: 24.000.000.000 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	-	-
Paid-in capital - net	532,734	532,734	-	-
Revaluation surplus of fixed assets	789,998	749,717	40,281	5.37%
Remeasurement of defined employee benefit liability - net of deferred tax	(100,912)	(163,811)	62,899	(38.40%)
Unrealized gain (loss) financial assets measured at fair value through other comprehensive income – net deferred tax	(115,048)	213,177	(328,225)	(153.97%)
Retained earnings				
General reserve	5,042,390	4,301,777	740,613	17.22%
Unappropriated	1,542,824	1,523,070	19,754	1.30%
TOTAL EQUITY	11,445,861	10,910,539	535,322	(168.48%)
TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY	103,031,367	100,723,330	2,308,037	2.29%

Graph of Financial Position Report

(in IDR million)



ASSET

For the financial year ending December 31 2022, Bank Jatim's total asset amounted to IDR103,031,367 million, an increase of 2.29% from last year of IDR100,723,330 million. This increase in

assets was influenced by an increase in Current Accounts with other banks - net, Loans - net, notes sold under agreements to repurchase (reverse repo), and other assets - net.

Table of Asset

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Cash	1,988,262	2,023,077	(34,815)	(1.72%)
Current accounts with Bank Indonesia	10,786,740	8,805,300	1,981,440	22.50%
Current accounts with other banks	303,129	211,681	91,448	43.20%
Allowance for impairment losses	(441)	(238)	(203)	85.29%
Current accounts with other banks - neto	302,688	211,443	91,245	43.15%
Placements with Bank Indonesia and other banks	6,916,329	9,917,695	(3,001,366)	(30.26%)
Allowance for impairment losses	(3,154)	(1,763)	(1,391)	78.90%
Placement with Bank Indonesia and other banks - Net	6,913,175	9,915,932	(3,002,757)	(30.28%)
Spot and derivatives receivables	361	-		
Marketable Securities	23,217,671	32,388,966	(9,171,295)	(28.32%)
Allowance for impairment losses	(400)	(5,943)	5,543	(93.27%)
Marketable Securities- Net	23,217,271	32,383,023	(9,165,752)	(28.30%)
Marketable securities sold under repurchased agreement	4,095,066	-	4,095,066	100.00%
Receivables from marketable securities purchased under resale agreement	7,822,847	3,420,685	4,402,162	128.69%



Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Other receivables	286,147	230,019	56,128	24.40%
Loans and sharia financing				
- Related parties	134,871	182,889	(48,018)	(26.26%)
- Third parties	46,061,786	42,566,670	3,495,116	8.21%
Total Loans	46,196,657	42,749,559	3,447,098	8.06%
Allowance for impairment losses	(1,318,612)	(1,831,417)	512,805	(28.00%)
Loans - Net	44,878,045	40,918,142	3,959,903	9.68%
Accrued interest income	646,125	793,900	(147,775)	(18.61%)
Prepaid expenses	166,661	134,200	32,461	24.19%
Fixed asset				
Cost	2,109,260	1,906,263	202,997	10.65%
Accumulated depreciation	(825,010)	(762,052)	(62,958)	8.26%
Book value neto	1,284,250	1,144,211	140,039	12.24%
Deferred tax assets, net	502,238	627,211	(124,973)	(19.93%)
Tax receivables	493	412	81	19.66%
Other assets, neto	140,998	115,775	25,223	21.79%
TOTAL ASSET	103,031,367	100,723,330	2,307,676	2.29%

Cash

Cash recorded in 2023 reached IDR1,988,262 million, a decrease of 1.72% compared to the previous year which reached IDR2,023,077 million. The decline 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	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	1,946,513	1,986,107	(39,594)	(1.99%)
Foreign currency	41,749	36,970	4,779	12.93%
Total Cash	1,988,262	2,023,077	(34,815)	(1.72%)

Current Accounts With Bank Indonesia

Current accounts with Bank Indonesia in 2022 reached IDR10,786,740 million, an increase of 22,50% compared to the previous year which reached IDR8,805,300 million. The increase

came from the number of current account at Bank Indonesia in the rupiah sector which experienced significant rise.

Table of Current accounts with Bank Indonesia

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	10,774,286	8,796,748	1,977,538	22.48%
US Dollar	12,454	8,552	3,902	45.63%
Total Current accounts with Bank Indonesia	10,786,740	8,805,300	1,981,440	22.50%

Current Accounts With Other Banks - Neto

Current accounts with other banks in 2022 reached IDR302,688 million, an increase of 43.15% compared to the previous year which reached IDR211,443 million. The rising number came from an increase in the number of current accounts with other banks.

Table of Current accounts with other banks - Neto

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah	190,457	148,822	41,635	27.98%
Foreign currencies	112,672	62,859	49,813	79.25%
Total	303,129	211,681	91,448	43.20%
Allowance for impairment losses	(441)	(238)	(203)	85.29%
Net	302,688	211,443	91,245	43.15%

Placements With Bank Indonesia and Other Banks - Neto

Placements with other banks and Bank Indonesia in 2022 reached IDR6,913,175 million, a decrease of 30.28% compared to the previous year which reached IDR9,915,932 million. The decline was due to a decrease in placements with both Bank Indonesia and other banks in the type of interbank call money.

Table of Placements with Bank Indonesia and other banks - Neto

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah:				
Time deposit:	7,000	410,000	(403,000)	(98.29%)
Interbank call money:	4,165,000	1,482,000	2,683,000	181.04%
Bank Indonesia Deposit Facility (FASBI) Term Deposit	2,744,329	8,025,695	(5,281,366)	(65.81%)
Total	6,916,329	9,917,695	(3,001,366)	(30.26%)
Allowance for impairment losses	(3,154)	(1,763)	(1,391)	78.90%
Net	6,913,175	9,915,932	(3,002,757)	(30.28%)

Marketable Securities- Neto

Marketable securities owned by the Company in 2022 reached IDR23,217,271 million, a decrease of 28.30% compared to the

previous year which reached IDR32,383,023 million. This decline was due to the purchase of securities for less than 1 year..

Table of Marketable Securities Based on Term and Interest Rate

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Less than 1 year	986,769	20,095,803	(19,109,034)	(95.09%)
1 - 5 year	22,230,902	12,293,164	9,937,738	80.84%
Les: Allowance for impairment losses	(400)	(5,943)	5,543	(93.27%)
Total Marketable Securities	23,217,271	32,383,023	(9,165,752)	(28.30%)

Marketable Securities Sold With A Repurchase Agreement (Reverse Repo)

Marketable securities sold under repurchase agreement based on the net value owned by the Company in 2022 amounted to IDR7,822,847 million, an increase of 128.69% compared to the previous year which reached IDR3,420,685 million. This increase was caused by securities buybacks.

Table of Marktebale Securities Sold with a Repurchase Agreement (Reverse Repo) Based on Net Value

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
-1	-2	-3	(4) = (2)-(3)	(5) = (4)/(3)
Government Bonds				
FR0070	-	309,405	(309,405)	(100.00%)
VR0062	-	469,625	(469,625)	(100.00%)
FR0043	-	742,189	(742,189)	(100.00%)
FR0070	-	316,859	(316,859)	(100.00%)
FR0056	-	165,615	(165,615)	(100.00%)
FR0077	-	1,416,992	(1,416,992)	(100.00%)
FR0087	368,983	-	368,983	100.00%
FR0081	149,068	-	149,068	100.00%
FR0084	99,964	-	99,964	100.00%
FR0083	192,726	-	192,726	100.00%
FR0088	42,540	-	42,540	100.00%
FR0065	116,204	-	116,204	100.00%
VR0078	286,561	-	286,561	100.00%
VR0037	139,793	-	139,793	100.00%
VR0072	46,900	-	46,900	100.00%
VR0068	381,593	-	381,593	100.00%
VR0077	140,651	-	140,651	100.00%
FR0096	28,674	-	28,674	100.00%

Description	2022	2021	Growth	
			Rp	%
-1	-2	-3	(4) = (2)-(3)	(5) = (4)/(3)
VR0053	116,820	-	116,820	100.00%
VR0037	931,787	-	931,787	100.00%
VR0046	192,171	-	192,171	100.00%
VR0050	1,004,871	-	1,004,871	100.00%
VR0062	906,872	-	906,872	100.00%
VR0075	234,413	-	234,413	100.00%
VR0045	924,708	-	924,708	100.00%
VR0034	382,733	-	382,733	100.00%
VR0036	574,107	-	574,107	100.00%
VR0065	370,747	-	370,747	100.00%
VR0044	189,961	-	189,961	100.00%
Total	7,822,847	3,420,685	4,402,162	128.69%

Other Receivables

Other receivables in 2022 reached IDR286,147 million, an increase of 24.40% compared to the previous year, which reached IDR230,019 million. The increase was due to a rise in transfer receivables and ATM.

Table of Other receivables

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Transfer receivables and ATM	194,150	116,119	78,031	67.20%
Others	91,997	113,900	(21,903)	(19.23%)
Total Other rRceivables - Net	286,147	230,019	56,128	24.40%

Loans - Net

Loans in 2022 reached IDR44,878,045 million, an increase of 9.68% compared to the previous year which reached IDR40,918,142 million. The rise was dominated by increases in third party credit.

Table of Loans - Neto

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Loans				
Related parties (notes 40)	134,871	182,889	(48,018)	(26.26%)
Third parties	46,061,786	42,566,670	3,495,116	8.21%
Total Loans	46,196,657	42,749,559	3,447,098	8.06%



Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Allowance for impairment losses	(1,318,612)	(1,831,417)	512,805	(28.00%)
Loans - net	44,878,045	40,918,142	3,959,903	9.68%

Accrued Interest Income

Accrued interest income in 2022 reached IDR646,125 million, a decrease of 18.61% compared to the previous year which reached IDR793,900 million. The decline came from accrued interest income from loans in other sectors.

Table of Accrued interest income

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Indonesia Rupiah:				
Loans	340,021	426,995	(86,974)	(20.37%)
Others	306,091	366,895	(60,804)	(16.57%)
Foreign currencies:				
US Dollar	13	10	3	30.00%
Total Accrued Interest Income	646,125	793,900	(147,775)	(18.61%)

Prepaid Expenses

Prepaid expenses in 2022 reached IDR166,661 million, an increase of 24.19% compared to the previous year, which reached IDR134,200 million. The increase came from mutual aid pension insurance, other insurance and prepaid rent.

Table of Prepaid Expenses

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Mutual aid pension insurance	88,765	82,296	6,469	7.86%
Prepaid rent	37,924	10,816	27,108	250.63%
Other insurance	6,216	1,152	5,064	439.58%
Others	33,756	39,936	(6,180)	(15.47%)
Total Prepaid Expenses	166,661	134,200	32,461	24.19%

Fixed Asset

Fixed assets in 2022 reached IDR1,284,250 million, an increase of 12.24% compared to the previous year which reached

IDR1,144,211 million. Most of the increase came from the acquisition cost of land and office equipment.

Table of Fixed asset

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Cost				
Land	945,010	856,993	88,017	10.27%
Buildings	203,402	203,366	36	0.02%
Office equipment	678,419	546,324	132,095	24.18%
Motor vehicle	50,516	33,754	16,762	49.66%
	1,877,347	1,640,437	236,910	14.44%
Construction in progress	681	591	90	15.23%
Right of use assets	231,232	265,235	(34,003)	(12.82%)
Total Cost	2,109,260	1,906,263	202,997	10.65%
Accumulated depreciation				
Buildings	116,296	107,086	9,210	8.60%
Office equipment	574,638	492,081	82,557	16.78%
Motor vehicle	24,616	33,090	(8,474)	(25.61%)
Right of use asset	109,460	129,795	(20,335)	(15.67%)
Total Accumulated depreciation	825,010	762,052	62,958	8.26%
Book value net	1,284,250	1,144,211	140,039	12.24%

Deferred Tax Assets

Deferred tax assets in 2022 reached IDR502,238 million, a decrease by 19.93% compared to the previous year, which reached IDR627,211 million. The average decrease comes from provision for loss on earnings assets, other reserves and leases.

Table of Deffered Tax Assets

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Provision for employee bonuses	73,284	72,346	938	1.30%
Allowance for loss of earnings assets	340,736	523,599	(182,863)	(34.92%)
Unrealized gain on financial assets at fair value through other comprehensive income	26,986	(45,400)	72,386	(159.44%)
Other reserves	13,381	14,502	(1,121)	(7.73%)
Lease	(1,014)	1,777	(2,791)	(157.06%)
Provision for employee benefits	48,865	60,387	(11,522)	(19.08%)
Deferred Tax Assets	502,238	627,211	(124,973)	(19.93%)

Other Assets - Net

Other assets in 2022 reached IDR140,998 million, an increase of 21.79% compared to the previous year, which reached

IDR115.775 million. The increase came from deferred charges and other assets.

Table of Other Assets - Net

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Deferred expenses	110,112	109,324	788	0.72%
Office stationery and printed supplies	19,812	21,891	(2,079)	(9.50%)
Overpaid tax assessment letter	-	-	-	0.00%
Others, neto	54,486	10,020	44,466	443.77%
Allowance for impairment in net realizable value	(43,412)	(25,460)	(17,952)	70.51%
Total Other assets - Neto	140,998	115,775	25,223	21.79%

Liabilities

Liabilities in 2022 reached IDR89,715,529 million, an increase of 2.01% compared to the previous year which reached IDR87,947,426 million. This increase came from the growth in liabilities for securities sold under agreements to repurchase in 2022.

Table of Liabilities

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Immediate liabilities	872,514	593,875	278,639	46.92%
Deposits from customers				
Related parties	15,295,405	17,719,735	(2,424,330)	(13.68%)
Third parties	64,630,285	63,668,950	961,335	1.51%
Total deposits from customers	79,925,690	81,388,685	(1,462,995)	(1.80%)
Deposits from other bank				
Related parties	141,996	360,169	(218,173)	(60.58%)
Third parties	3,168,842	3,775,548	(587,525)	(15.64%)
Total Deposits from other bank	3,310,838	4,135,717	(805,698)	(19.57%)
Liabilities of marketable securities sold under repurchased agreement	3,891,346	-	3,891,346	100.00%
Borrowings	631,464	655,288	(23,824)	(3.64%)
Tax payable	90,783	165,476	(74,693)	(45.14%)
Accrues expenses	520,840	478,647	42,193	8.82%
Other liabilities	472,054	529,738	(57,684)	(10.89%)
TOTAL LIABILITIES	89,715,529	87,947,426	1,768,103	2.01%

Immediate Liabilities

Liabilities in 2022 reached IDR872,514 million, an increase of 44.77% compared to the previous year which reached IDR593,875 million. The average increase comes from transfers, cheque

pending collection, clearing, acceptance pending settlement and others.

Table of Immediate Liabilities

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Transfer, cheques pending collection, and clearing	319,871	172,987	146,884	84.91%
Acceptance pending settlement	122,431	116,659	5,772	4.95%
Amount involving expenses payable	91,760	103,364	(11,604)	(12.65%)
ATM Bersama	12,779	-	12,779	100.00%
Others	325,673	200,865	124,808	62.14%
Immediate Liabilities	872,514	593,875	265,860	44.77%

Deposits From Customers

Deposits from customers in 2022 reached IDR79,925,690 million, a decrease of 1.80% compared to the previous year

which reached IDR81,388,685 million. The decrease came from deposits from related parties.

Table of Deposits From Customers

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Related parties	15,295,405	17,719,735	(2,424,330)	(13.68%)
Third parties	64,630,285	63,668,950	961,335	1.51%
Total Deposits From Customers	79,925,690	81,388,685	(1,462,995)	(1.80%)

Deposits From Other Bank

Deposits from other banks in 2022 reached IDR3,310,838 million, a decrease of 19.95% compared to the previous year

which reached IDR4,135,717 million. The decrease came from Deposits from other banks, Third parties and Related parties.

Table of Deposits From Other Bank

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Related parties	141,996	360,169	(218,173)	(60.58%)
Third parties	3,168,842	3,775,548	(606,706)	(16.07%)
Total Deposits From Other Bank	3,310,838	4,135,717	(824,879)	(19.95%)

Borrowings

Borrowings in 2022 reached IDR631,464 million, a decrease of 3.64% compared to the previous year which reached IDR655,288 million. The decline came from a decrease in Borrowings from

the Revolving Fund Management Agency for Cooperatives, Micro, Small and Medium Enterprises (LPDB-KUMKM) and the Government of East Java Province (related party).

Table of Borrowings

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Ministry of Public Works and Housing of the Republic of Indonesia(PUPR)	481,532	457,034	24,498	5.36%
Revolving Fund Management Agency for Cooperatives, Micro, Small and Medium Enterprises (LPDB-KUMKM)	76,698	120,394	(43,696)	(36.29%)
PT Sarana Multigriya Financial	71,867	76,493	(4,626)	(6.05%)
Government of East Java Province (Related parties)	1,367	1,367	-	0.00%
Total Borrowings	631,464	655,288	(23,824)	(3.64%)

Tax Payable

Tax payable in 2022 reached IDR90,783 million, a decrease of 45.14% compared to the previous year which reached IDR165,476 million. The

decrease came from corporate income tax article 29 (note 22f) and corporate income tax article 23/4 (2).

Table of Tax payable

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Corporate Income Tax article 25	43,577	-	43,577	100.00%
Corporate Income Tax 21	30,453	20,291	10,162	50.08%
Corporate Income Tax 23/4 (2)	10,489	13,492	(3,003)	(22.26%)
Corporate Income Tax 29 (Note 22f)	5,803	131,299	(125,496)	(95.58%)
Others	461	394	67	17.01%
Tax Payable	90,783	165,476	-74,693	(45.14%)

Accrued Expenses

Accrued expenses in 2022 reached IDR520,840 million, an increase of 8.82% compared to the previous year which reached

IDR478,647 million. The increase came from employee bonuses and interest.

Table of Accrued expenses

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Employee bonuses	385,706	380,767	4,939	1.30%
Interest	135,134	97,880	37,254	38.06%
Total Accrued Expenses	520,840	478,647	42,193	8.82%

Other Liabilities

Other liabilities in 2022 reached IDR472,054 million, decreased by 10.89% compared to the previous year which reached IDR529,738 million. The average decrease came from provision

of employee benefit, lease liabilities, principal - channeling loans received, provision and credit administration and others.

Table of Other liabilities Berdasarkan Ekuivalen Rupiah

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Indonesia Rupiah				
Provision of employee benefit	257,184	317,828	(60,644)	(19.08%)
Security deposits	132,236	117,527	14,709	12.52%
Lease liabilities	23,322	44,433	(21,111)	(47.51%)
Principal – channeling loans received	7,683	8,643	(960)	(11.11%)
Interest – channeling loans received	3,592	3,522	70	1.99%
Provision and credit administration	-	8,971	(8,971)	(100.00%)
Estimated losses on commitments and contingencies	3,020	117	2,903	2481.20%
Others	1,390	26,689	(25,299)	(94.79%)
	428,427	527,730	-99,303	(18.82%)
Foreign currencies				
Others				
US Dollar	39,325	1,431	37,894	2648.08%
Singapore Dollar	3,538	546	2,992	547.99%
Hong Kong Dollar	20	19	1	5.26%
Japan Yen	-	12	(12)	(100.00%)
Euro	744	-	744	100.00%
Total Other Liabilities	43,627	2,008	41,619	2.072.66%
Total	472,054	529,738	(57,684)	(10.89%)

Equity

Equity in 2022 will reach IDR11,445,861 million, an increase of 4.91% compared to the previous year which reached IDR10,910,539 million. The increase came from the revaluation surplus of fixed assets, general reserves and their use has not yet been determined.

Table of Equity

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Share capital:				
Series A : IDR250 (full Rupiah) - (par value per share				
Series B : IDR250 (full Rupiah) - (par value per share				
Authorized:				
Series A: 24,000,000,000 shares				
Series B: 12,000,000,000 shares				

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Issued and fully paid:				
Series A – 11,934,147,982 shares				
Series B – 3,081,350,100 shares	3,753,875	3,753,875	-	0.00%
Other Paid-In Capital	532,734	532,734	-	0.00%
Revaluation surplus of fixed assets	789,998	749,717	40,281.00	5.37%
Remeasurement of defined employee benefit liability - net of deferred tax	(100,912)	(163,811)	62,899.00	(38.40%)
Unrealized gain (loss) financial assets measured at fair value through other comprehensive income	(115,048)	213,177	(328,225.00)	(153.97%)
Retained earnings				
General reserve	5,042,390	4,301,777	740,613.00	17.22%
Unappropriated	1,542,824	1,523,070	19,754.00	1.30%
TOTAL EQUITY	11,445,861	10,910,539	535,322.00	4.91%

Share Capital

Share capital in 2022 reached ID 3,753,875 million, stable at 0% compared to the previous year which reached IDR3,753,875 million. There is no changes, because it comes from series B shares.

Additional Paid in Capital- Net

Additional Paid in Capital in 2022 reached IDR532,734 million, stable at 0.00% compared to the previous year which reached IDR532,734 million. There were no such changes because of the Stock Options for the Management and Employee Stock Option Plan (MESOP) program.

Table of Additional Paid in Capital- Neto

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Share premium from the Initial Public Offering(IPO)	509,369	509,369	-	0.00%
Stock option for the Management and Employee Stock Option Plan (MESOP)	23,365	23,365	-	0.00%
Total	532,734	532,734	-	0.00%

Revaluation Surplus of Fixed Assets

Revaluation surplus of fixed assets in 2022 reached IDR789,998 million, an increase of 5.37% compared to the previous year which reached IDR749,717 million. This increase came from the revaluation of Fixed assets.

Remeasurement of Defined Employee Benefit Liability - Net of Deferred Tax

Remeasurement of defined employee benefit liability - net of deferred tax in 2022 reached (IDR100,912) million, a decrease of 38.40% compared to the previous year which reached (IDR163,811) million.

Unrealized Gain (Loss) Financial Assets Measured at Fair Value Through Other Comprehensive Income

Unrealized gain (loss) financial assets measured at fair value through other comprehensive income in 2022 reached (IDR115,048) million, a decrease of 153.97% compared to the previous year which reached IDR213,177 million.

Retained Earnings

Retained earnings in 2022 reached IDR1,542,824 million, an increase of 1.30% compared to the previous year which reached IDR1,523,070 million. The increase came from loan interest income and Unappropriated.

Table of Retained Earnings

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Unappropriated	1,542,824	1,523,070	19,754	1.30%
Retained Earnings	1,542,824	1,523,070	19,754	1.30%

Statement of Profit and Loss and Other Comprehensive Income

Table of Statement of Profit and Loss and Other Comprehensive Income

(in IDR million)

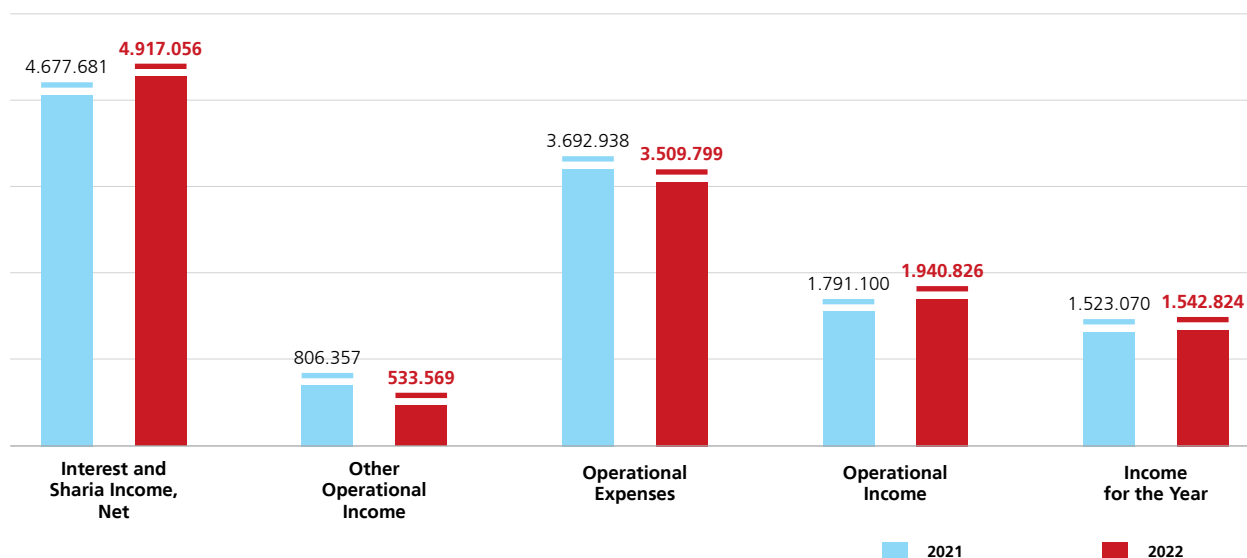
Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Interest and Sharia Income	6,882,651	6,655,168	227,483	3.42%
Interest and Sharia Expenses	(1,965,595)	(1,977,487)	11,892	(0.60%)
INTEREST AND SHARIA INCOME, NET	4,917,056	4,677,681	239,375	5.12%
OTHER OPERATIONAL INCOME				
Reversal for impairment losses on financial assets	-	361,666	(361,666)	(100.00%)
Current, savings and time deposit administration	184,480	172,779	11,701	6.77%
Receipt of write-off loans	56,653	55,003	1,650	3.00%
Loan administration	42,511	34,055	8,456	24.83%
Fees and commissions other than loan given	11,105	5,225	5,880	112.54%
Others	238,820	177,629	61,191	34.45%
TOTAL OTHER OPERATIONAL INCOME	533,569	806,357	(272,788)	(33.83%)
OTHERS OPERATIONAL EXPENSES				
Labor and employee benefits	(1,674,698)	(1,644,897)	(29,801)	1.81%
General and administration	(1,229,388)	(1,078,820)	(150,568)	13.96%
Allowance for impairment losses on financial assets	(404,659)	(819,201)	414,542	(50.60%)
Others expenses	(201,054)	(150,020)	(51,034)	34.02%
TOTAL OTHERS OPERATIONAL EXPENSES	(3,509,799)	(3,692,938)	183,139	(4.96%)
OPERATIONAL INCOME	1,940,826	1,791,100	149,726	8.36%
NON-OPERATIONAL REVENUE (EXPENSE)				
Tax service fee	6,084	4,684	1,400	29.89%
Gain on sale of fixed asset	5,274	3,952	1,322	33.45%
Gain on sale of securities net	2,757	131	2,626	2,004.58%
Gain (loss) on foreign exchange	-	3,497	(3,497)	(100.00%)
Others non-operating income	158,513	404,119	(245,606)	(60.78%)



Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Non-operating expenses	(83,405)	(269,509)	186,104	(69.05%)
TOTAL NON-OPERATING INCOME (EXPENSES)	89,223	146,874	(57,651)	(39.25%)
INCOME BEFORE TAX EXPENSE	2,030,049	1,937,974	92,075	4.75%
TAX EXPENSES - NET	(487,225)	(414,904)	(72,371)	17.43%
INCOME FOR THE YEAR	1,542,824	1,523,070	19,754	1.30%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified ke laba rugi: subsequently to profit or loss:				
Revaluation surplus (deficit) of fixed assets	40,281	(4,665)	44,946	(963.47%)
Remeasurement of employee benefit liability	100,163	41,074	59,089	143.86%
Beginning balance adjustment	(19,678)	-	(19,678)	-
Related income taxes	(17,586)	(7,804)	(9,782)	125.35%
	103,180	28,605	74,575	260.71%
Items that will be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on financial asset measured at fair value through other comprehensive income	(400,611)	103,326	(503,937)	(487.72%)
Beginning balance adjustment	(3,730)	-	(3,730)	-
Related income taxes	76,116	(15,902)	92,018	(578.66%)
	(328,225)	87,424	(415,649)	(475.44%)
OTHER COMPREHENSIVE INCOME - NET OF TAX	(225,045)	116,029	(341,074)	(293.96%)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,317,779	1,639,099	(663,903)	(40.50%)
BASIC EARNINGS PER SHARE (IN FULL AMOUNT)	102.75	101.43	1.32	1.30%

Graph of Profit and Loss and Other Comprehensive Income Report

(in IDR million)



Interest and Sharia Income

In 2022, Bank Jatim's total interest and sharia income was recorded at IDR6,882,651 million, an increase of 3.42% from last year's IDR6,655,168 million. This increase was mainly influenced by an increase in income from third parties, namely placements

with Bank Indonesia and other banks, amortized cost securities, margin securities and profit sharing, provisional securities and other securities.

Table of Interest and Sharia Income

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Related parties (note 40)				
Loans	7,926	11,501	(3,575)	(31.08%)
Margin and revenue sharing	126	439	(313)	(71.30%)
Third parties				
Loans	4,261,412	4,429,281	(167,869)	(3.79%)
Placements with Bank Indonesia and other banks	932,818	783,576	149,242	19.05%
Securities				
Amortized cost	1,392,992	1,189,657	203,335	17.09%
Margin and revenue sharing	135,829	126,018	9,811	7.79%
Provision	110,971	76,906	34,065	44.29%
Bank Indonesia Certificate	17,442	19,077	(1,635)	(8.57%)
Others	23,135	18,713	4,422	23.63%
Total Interest Income and Sharia	6,882,651	6,655,168	227,483	3.42%

Interest and Sharia Expenses

Interest Expenses and Sharia in 2022 reached IDR1,965,595 million, a decrease of 0.60% compared to the previous year which reached IDR1,977,487 million. The decrease came from Time deposits, Borrowings and Premium Securities.

Table of Interest and Sharia Expenses

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Time deposit	1,431,257	1,501,177	(69,920)	(4.66%)
Savings	264,782	260,600	4,182	1.60%
Current Account	221,779	194,966	26,813	13.75%
Repo	30,291	-	30,291	0.00%
Borrowings	10,357	16,129	(5,772)	(35.79%)
Mudharabah profit-sharing expense	5,580	3,952	1,628	41.19%
Loan interest expense	1,549	181	1,368	755.80%
Government guarantee premiums	-	-	-	0.00%
Premium on other insurance	-	-	-	0.00%
Premium on marketable securities	-	482	(482)	(100.00%)
Total Interest Expenses and Sharia	1,965,595	1,977,487	(11,892)	(0.60%)



Interest and Sharia Income - Neto

Interest Income and Sharia, net in 2022 reached IDR4,917,056 million, an increase of 5.12% compared to the previous year which reached IDR4,677,681 million. This increase was mainly influenced by an increase in interest income from loans.

Table of Interest and Sharia Income - Neto

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Interest Income and Sharia	6,882,651	6,655,168	227,483	3.42%
Interest Expenses and Sharia	(1,965,595)	(1,977,487)	11,892	(0.60%)
Interest Income and Sharia - neto	4,917,056	4,677,681	239,375	5.12%

Other Operational Income

Other Operational Income in 2022 reached IDR533,569 million, a decrease of 33.83% compared to the previous year which reached

IDR806,357 million. This decrease was due to several influencing factors, namely reversal for impairment losses on financial assets.

Table of Other Operational Income

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (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	184,480	172,779	11,701	6.77%
Receipt of write-off loans	56,653	55,003	1,650	3.00%
Loan administration	42,511	34,055	8,456	24.83%
Fees and commission other than loan given	11,105	5,225	5,880	112.54%
Others	238,820	177,629	61,191	34.45%
Total Other Operational Income	533,569	806,357	(272,788)	(33.83%)

Operating expenses

Operating expenses in 2022 reached IDR3,509,799 million, a decrease of 4.96% compared to the previous year which reached IDR3,692,938 million. This decrease was mainly due to an

impairment losses on financial assets, general and administrative expenses, employee benefits and other expenses.

Table of Operating Expenses

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Labor and employee benefits	(1,674,698)	(1,644,897)	(29,801)	1.81%
General and administration	(1,229,388)	(1,078,820)	(150,568)	13.96%
Allowance for impairment losses atas asset keuangan	(404,659)	(819,201)	414,542	(50.60%)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Other expenses	(201,054)	(150,020)	(51,034)	34.02%
Total Operating Expenses	(3,509,799)	(3,692,938)	183,139	(4.96%)

Operational Income

Operational Income in 2022 reached IDR1,940,826 million, an increase of 8.36% compared to the previous year which reached IDR1,791,100 million. This increase was due to the total Other Operational Income and Interest Income and Sharia, net.

Table of Operational Income

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Interest and Sharia Income - neto	4,917,056	4,677,681	239,375	5.12%
Total Other Operational Income	533,569	806,357	(272,788)	(33.83%)
Total Operating Expenses	(3,509,799)	(3,692,938)	183,139	(4.96%)
Operational Income	1,940,826	1,791,100	149,726	8.36%

Non-Operational Revenue (Expense)

Operating income (expenses) in 2022 reached IDR89,223 million, a decrease of 39.25% compared to the previous year which reached IDR146,874 million. This decrease was due to gains from foreign exchange and other expenses.

Table of Non-Operational Revenue (Expense)

(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Tax service fee	6,084	4,684	1,400	29.89%
Gain on sale of fixed asset	5,274	3,952	1,322	33.45%
Gain on sale of securities net	2,757	131	2,626	2,004.58%
Gain (loss) on foreign exchange	-	3,497	(3,497)	(100.00%)
Others non-operating income	158,513	404,119	(245,606)	(60.78%)
Non-operating expenses	(83,405)	(269,509)	186,104	(69.05%)
Total Non-Operational Revenue (Expense)	89,223	146,874	(57,651)	(39.25%)

Income Before Tax Expense

Income Before Tax Expense in 2022 reached IDR2,030,049 million, an increase of 4.75% compared to the previous year

which reached IDR1,937,974 million. The increase was due to an increase in Operational Income.

Table of Income Before Tax Expense

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Operational Income	1,940,826	1,791,100	149,726	8.36%
Total Non-operational income - neto	89,223	146,874	(57,651)	(39.25%)
Total Income Before Tax Expense	2,030,049	1,937,974	92,075	4.75%

Tax Expenses – Net

Tax expense-net in 2022 reached IDR487,225 million, an increase of 17.43% compared to the previous year which reached IDR414,904 million. The increase in tax expense-net was influenced by tax refunds.

Table of Tax Expenses - Net

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Tax Expenses - Net	(487,225)	(414,904)	(72,321)	17.43%

Income for the Year

Income for the year in 2022 reached IDR1,542,824 million, an increase of 1.30% compared to the previous year which reached IDR1,523,070 million. This increase was due to an increase in net tax expense.

Table of Income For The Year

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Income Before Tax Expense	2,030,049	1,937,974	92,075	4.75%
Tax Expenses - Net	(487,225)	(414,904)	(72,321)	17.43%
Total Income For The Year	1,542,824	1,523,070	19,754	1.30%

Other Comprehensive Income Net After Tax

Other comprehensive income net after tax in 2022 reached IDR225,045 million, a decrease of 293.96% compared to the previous year which reached Rp116,029 million. This decrease

came from unrealized gains (losses) on financial assets measured at fair value through Other Comprehensive Income.

Table of Other Comprehensive Income Net After Tax

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Items that will not be reclassified to profit or loss:				
Fixed asset revaluation surplus	40,281	(4,665)	44,946	(963.47%)
Remeasurement of defined benefit plans	100,163	41,074	59,089	143.86%
Beginning balance adjustment	(19,678)	-	(19,678)	0.00%
Related income taxes	(17,586)	(7,804)	(9,782)	125.35%
	103,180	28,605	74,575	260.71%
Item that will be reclassified to profit or loss:				
Unrealized gain (loss) on financial asset measured at fair value through other comprehensive income	(400,611)	103,326	(503,937)	(487.72%)
Beginning balance adjustment	(3,730)	-	(3,730)	0.00%
Related income taxes	76,116	(15,902)	92,018	(578.66%)
	(328,225)	87,424	(415,649)	(475.44%)
OTHER COMPREHENSIVE INCOME NET AFTER TAX	(225,045)	116,029	(341,074)	(293.96%)

Comprehensive Income for the Year

Comprehensive income for the year in 2022 reached IDR1,317,779 million, a decrease of 19.60% compared to the previous year which reached IDR1,639,099 million. This decline was triggered by the decline in other comprehensive income.

Table of Comprehensive Income For The Year

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Income For The Year	1,542,824	1,523,070	19,754	1.30%
Other Comprehensive Income Net After Tax	(225,045)	116,029	(341,074)	(293.96%)
Comprehensive Income For The Year	1,317,779	1,639,099	(321,320)	(19.60%)

Basic Earnings Per Share

Basic Earnings per Share in 2022 reached IDR102.75, an increase of 1.30% compared to the previous year which reached Basic Earnings per Share IDR101.43. This increase was triggered by profit growth for the calculation of Basic Earnings per Share.

Table of Basic Earnings per Share

(in IDR million)

Description (1)	2022 (2)	2021 (3)	Growth	
			Rp (4) = (2)-(3)	% (5) = (4)/(3)
Earnings for the calculation of basic earnings per share	1,542,824	1,523,070	19,754	1.30%
Number of weighted average shares outstanding	15,015,498,082	15,015,498,082	-	0.00%
Basic Earnings per Share	102.75	101.43	1.32	1.30%

Cash Flow Report

Table of Cash Flow Report

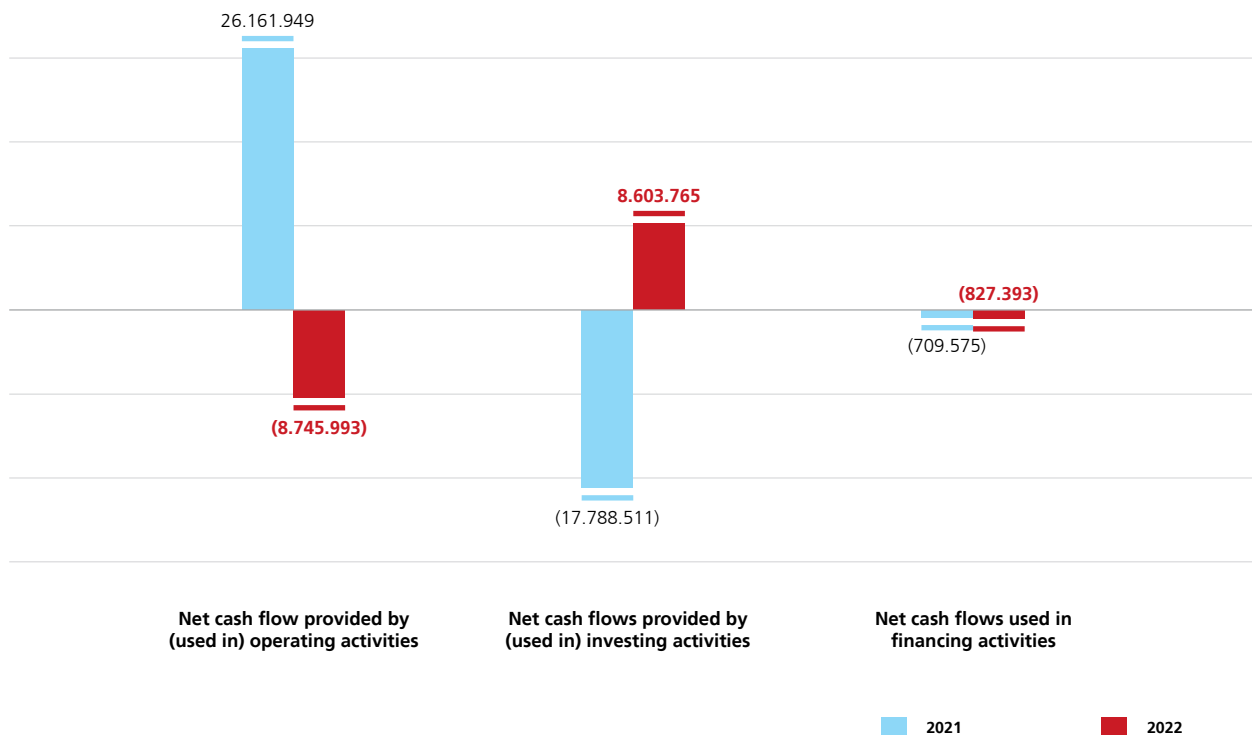
(in IDR million)

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipt of interest, sharia, fees and commissions	7,030,426	6,421,514	608,912	9.48%
Payments of interest, sharia, fees and commissions	(1,931,344)	(1,983,506)	52,162	(2.63%)
Receipt of Other Operational Income	476,364	384,463	91,901	23.90%
Collection of loans-written off	56,653	55,003	1,650	3.00%
Receipts from non-operating income	172,136	416,380	(244,244)	(58.66%)
Payments for non-operating income	(82,913)	(269,509)	186,596	(69.24%)
Payment for salaries and employee benefits	(1,659,597)	(1,644,897)	(14,700)	0.89%
Payment of general and administrative expenses	(1,296,665)	(1,211,045)	(85,620)	7.07%
Payments of general	(389,372)	(378,098)	(11,274)	2.98%
Cash flows from operating activities before changes in operating assets and liabilities	2,375,688	1,790,305	585,383	32.70%
Changes in operating assets and liabilities:				
Placements with Bank Indonesia and other banks	(7,000)	-	(7,000)	0.00%
Loans	(4,347,656)	(1,268,793)	(3,078,863)	242.66%
Marketable securities sold under repurchased agreement	(4,095,066)	-	(4,095,066)	100.00%

Description	2022	2021	Growth	
			Rp	%
(1)	(2)	(3)	(4) = (2)-(3)	(5) = (4)/(3)
Marketable securities sold under repurchase agreement	(4,402,162)	9,152,359	(13,554,521)	(148.10%)
Other assets dan Other receivables	(117,044)	235,620		
Immediate liabilities	278,638	109,040	169,598	155.54%
Deposits from customers	(1,434,484)	14,733,587	(16,168,071)	(109.74%)
Deposits from other bank	(848,777)	1,332,296	(2,181,073)	(163.71%)
Liabilities Marketable securities sold under repurchased agreement	3,891,346	-	3,891,346	100.00%
Other liabilities	(39,476)	77,535	(117,011)	(150.91%)
Net cash flow provided by (used in) operating activities	(8,745,993)	26,161,949	(34,555,278)	(132.08%)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceed (payments of) from borrowings	8,846,760	(17,722,229)	26,568,989	(149.92%)
Acquisition of fixed assets	(248,269)	(70,838)	(177,431)	250.47%
Fixed asset sold	5,274	4,556	718	15.76%
Net cash flows provided by (used in) investing activities	8,603,765	(17,788,511)	26,392,276	(148.37%)
CASH FLOWS FROM FINANCING ACTIVITIES				
Procee (payments of) from borrowings	(23,824)	23,933	(47,757)	(199.54%)
Payments of cash dividends	(782,458)	(733,508)	(48,950)	6.67%
Payments of lease liabilities	(21,111)	-	(21,111)	0.00%
Net cash flows used in financing activities	(827,393)	(709,575)	(117,818)	16.60%
Net increase (decrease) in cash and cash equivalents	(969,621)	7,663,863	(8,633,484)	(112.65%)
Cash and cash equivalents at beginning of year	20,957,752	13,293,890	7,663,862	57.65%
Effect of changes in foreign currency exchange rates	-	-	-	0.00%
Cash and cash equivalents at year end	19,988,131	20,957,753	(969,622)	(4.63%)
Cash and cash equivalents consist of:				
Cash	1,988,262	2,023,077	(34,815,00)	(1.72%)
Current accounts with Bank Indonesia	10,786,740	8,805,300	1,981,440,00	22.50%
Current accounts with other banks	303,129	211,681	91,448,00	43.20%
Placements with Bank Indonesia and other banks (maturity within three months or less since the acquisition date)	6,910,000	9,917,695	(3,007,695,00)	(30.33%)
Total cash and cash equivalents	19,988,131	20,957,753	(969,622)	(4.63%)

Graph of Cash Flow Report

(in IDR million)



At the end of 2022, Bank Jatim posted a final cash and cash equivalent balance of IDR19,988,131 million, a decrease of 4.63% compared to 2021 which amounted to IDR20,957,753 million. The decrease in cash balances was mainly due to a decrease in Placements with Bank Indonesia and other banks and net cash obtained from operating activities.

Cash Flows from Operating Activities

Net cash used in operating activities in 2022 amounted to IDR8,745,993 million, a decrease of 132.08% compared to 2021 which recorded cash flows provide by operating activities of IDR26,161,949 million. Net cash flow is the reduction of cash inflows and cash outflows. The highest cash inflows came from, among others, increased interest, investment and sharia income, premium income, Other Operational Income, non-operating income, increase in customer deposits, and increase in Deposits from other banks. The highest cash outflows came from lending, interest payments, and Others Operational Expenses. This means that Bank Jatim is able to carry out good business processes by utilizing operational sources such as loans, customer deposits, and tax payments into cash that has been recognized and earned.

Cash Flows from Investment Activities

Net cash from investing activities in 2022 amounted to IDR8,603,765 million, an increase of 148.37% compared to 2021 which recorded cash flows used in investing activities of IDR17,788,511 million. The highest cash outflows came from purchases of government bonds, purchases of securities, and purchases of fixed assets. This indicates that Bank Jatim is still making additional investments but has not yet received cash returns from the investments made during 2021.

Cash Flows from Funding Activities

Net cash used in financing activities in 2022 amounted to IDR827,393 million, an increase of 16.60% compared to 2021 which amounted to IDR709,575 million. This was mainly influenced by Borrowings payments. The highest cash inflows came from, among other things, an increase in borrowings. The highest cash outflows came from dividend payments and a decrease in securities issued. This means that Bank Jatim is still able to get cash in the form of funding from borrowings which is able to cover cash out in the form of dividends and others.

Ability to Pay Debt and Receivable Collectability

Ability to Pay Debt

The ability of Bank Jatim to pay debts is measured by several ratios, including liquidity ratios, solvency ratios and profitability ratios. These ratios will become benchmarks for banks in measuring possible risks that may arise in bank operational activities.

Ability to Pay Short-Term Debt (Bank Liquidity)

The liquidity ratio is measured by comparing the amount of 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 2022 is 56.50%, an increase of 5.12% compared to 2021 which was 51.38%. 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	2022	2021	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Loan to Deposit Ratio (LDR)	56.50%	51.38%	5.12%

Bank Solvability

The Capital Adequacy Ratio (CAR) in 2022 is at a safe level of 24.74%, slightly increase by 1.21% compared to 2021 which was recorded at a level of 23.52%. The Bank Jatim CAR level shows that the bank's capital structure has the capability to offset market risk, credit risk and operational risk where the ratio is higher

than the BI/OJK minimum adequacy ratio and the Bank's capital structure complies with BI/OJK regulations of 14%. This shows that the Bank has properly managed the Bank's capital and has sufficient capital to protect against solvency risk.

Table of Solvability Ratio

(in %)

Description	2022	2021	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
CAR-TIER I	23.73%	22.52%	1.22%
CAR-TIER II	1.00%	1.01%	0.00%
CAR (Credit, Market and Operational Risks)	24.74%	23.52%	1.21%

Other Financial Ratio

Bank Jatim's other financial ratios include profitability ratios, efficiency ratios and compliance ratios as follows.

Table of Other Financial Ratio

(in %)

Description	2022	2021	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
RENTABILITY RATIO			
Return on Assets (ROA)	1.95%	2.05%	(0.10%)



Description	2022	2021	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Return on Equity (ROE)	16.24%	17.26%	(1.02%)
Net Interest Margin (NIM)	5.11%	5.11%	0.01%
EFFICIENCY RATIO			
Operating Expenses to Operating Income(BOPO)	76.15%	75.95%	0.20%
COMPLIANCE RATIO			
Statutory Reserves in Rupiah	4.75%	5.73%	(0.98%)
Statutory Reserves in Foreign Currency	7.39%	7.36%	0.03%

Return on Assets (ROA)

ROA in 2022 is 1.95% or decreased by 0.10% compared to 2021 of 2.05%. The decrease was partly due to an increase in total assets.

Return on Equity (ROE)

ROE in 2022 was 16.24% or decreased by 1.02% compared to 2021 of 17.26%. The decrease was mainly influenced by an increase in profits.

Net Interest Margin (NIM)

NIM increased by 0.01% from 5.11% in 2021 to 5.11% at the end of 2022. This was mainly influenced by the growth in lending and financing in 2022.

Operational Cost of Operating Income

The BOPO ratio increased by 0.20% from 75.95% in 2021, increasing to 76.15% in 2022. This increase was mainly influenced by the increase in interest expense on funds that occurred in 2022.

Statutory Reserve Requirement

Bank Jatim's Rupiah GWM in 2022 is 4.75% and Foreign Currency GWM is 7.39%. This liquidity position is in accordance with Bank Indonesia Regulation No.19/6/PBI/2017 dated April 17, 2017 concerning the 5th amendment to Bank Indonesia Regulation No.15/15/PBI/2013 dated December 24, 2013 concerning 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	2022	2021	Increase/ Decrease
(1)	(2)	(3)	(2)-(3)
Non Performing Loan (NPL) Gross	2.83%	4.48%	(1.65%)
Non Performing Loan (NPL) Nett	1.01%	0.96%	0.05%

The gross NPL in 2022 is 2.83% or a decrease of 1.65% compared to 2021 which was 4.48%. Meanwhile, the net NPL in 2022 is 1.01% or an increase of 0.05% compared to 2021 of 0.96%. The increase in the net NPL value was due to the impact of the Covid-19 pandemic throughout 2022.

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 by Type and Collectability

(in IDR million)

Description	Total	Current	Special Mention	Sub-standard	Doubtful	Loss
2022						
Working capital	10,968,010	9,802,144	457,228	20,906	37,479	650,253
Investment	6,570,658	6,296,351	151,931	3,855	3,343	115,178
Consumption	28,657,989	27,883,864	295,970	26,323	37,043	414,789
Total	46,196,657	43,982,359	905,129	51,084	77,865	1,180,220
Less: Allowance for impairment losses	(1,318,612)	(395,953)	(78,550)	(18,979)	(28,495)	(796,635)
Total Loans - net	44,878,045	43,586,406	826,579	32,105	49,370	383,585
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
Growth 2021-2022 (%)						
Working capital	1,299,366	1,722,859	15,588	(136)	6,920	(445,865)
Investment	744,882	772,754	90,278	(2,636)	1,729	(117,243)
Consumption	1,402,850	1,437,115	15,707	(9,008)	(22,321)	(18,643)
Total	3,447,098	3,932,728	121,573	(11,780)	(13,672)	(581,751)
Less: Allowance for impairment losses	512,805	(133,563)	(16,947)	5,614	8,401	649,300
Total Loans - net	3,959,903	3,799,165	104,626	(6,166)	(5,271)	67,549

Net loans in 2022 is at IDR44,878,045 million, an increase of 9.68% compared to 2021 which was IDR40,918,142 million with a current credit classification in 2022 of IDR43,586,406 million, in

special mention of IDR826,579 million, substandard of IDR32,105 million, doubtful of IDR49,370 million and loss of IDR383,585 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 2022

Tier	Interest Rate
SIMPEDA	
0 - < IDR1 million	0.00%
IDR1million - < 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%
IDR1million - < IDR10 million	0.75%
IDR10 million - < IDR50 million	1.00%
IDR50 million - < IDR500 million	1.25%
≥ IDR500 million	1.50%
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 ribu - 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%
SIMPANAN LAKU PANDAI	
All Nominal	0.50%

Tier	Interest Rate
SIKLUS PENSIUN	
0 - < IDR250 thousand	0.00%
IDR250 thousand - < IDR7,5 million	1.25%
IDR7,5 million - < IDR100 million	1.50%
≥ IDR100 million	1.75%
SIKLUS VALAS	
USD	
< USD100	0.00%
> USD100 - ≤ USD10,000	0.05%
> USD10.000 - ≤ USD100,000	0.15%
> USD100.000	0.25%
SGD	
< USD100	0.00%
> USD100 - ≤ USD10,000	0.05%
> USD10.000 - ≤ USD100,000	0.15%
> USD100.000	0.25%
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 2022

Tier	Tenor (Month)						
	1 Month	2 Month	3 Month	6 Month	12 Month	18 Month	24 Month
≥IDR2.5 million - IDR1 billion	2.60% pa	2.65% pa	2.75% pa	2.90% pa	2.95% pa	3.00% pa	3.00% pa
>IDR1 billion	2.65% pa	2.75% pa	2.80% pa	2.90% pa	2.95% pa	3.00% pa	3.00% pa

Table of Foreign Exchange Interest Rates Per December 2022

Tier	Tenor (Month)			
	1 Month	3 Month	6 Month	12 Month
USD				
≥ USD1000 – Unlimited			0.25% pa	
SGD				
≥ SGD1,000			0.10% pa	



Tier	Tenor (Month)			
	1 Month	3 Month	6 Month	12 Month
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 2022

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

Table of Current Account Interest Rate As of December 2022

Tier	Interest Rate
RUPIAH	
Progressive Daily Current Account Service Calculation	
Rp0 - IDR5 million	0.00%
> IDR5 million - IDR100 million	0.50%
> IDR100 million - IDR1 billion	0.75%
> Rp1 billion - Rp500 billion	0.90%
> Rp500 billion - Rp750 billion	1.25%
> Rp750 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 CURRENT ACCOUNT	
≤ USD1,000	0.00%
> USD1,000 - ≤ USD10,000	0.05%
> USD10,000 - ≤ USD100,000	0.15%
> USD100,000	0.25%
SGD FOREIGN CURRENCY CURRENT ACCOUNT	
≤ SGD1,000	0.00%
> SGD1,000 - ≤ SGD10,000	0.05%
> SGD10,000 - ≤ SGD100,000	0.15%
> SGD100,000	0.20%
EUR FOREIGN CURRENCY CURRENT ACCOUNT	
EUR	0.10%
JPY FOREIGN CURRENCY CURRENT ACCOUNT	
JPY	0.00%

Table of Profit Sharing Ratio

Product	Profit Sharing Ratio	Realization of Sharing Ratio
Individual Wadiah Current Account	-	0.09%
General Wadiah Current Account for Service/Government	-	0.10%
Public Private Wadiah Current Account	-	0.09%
Government General Mudharabah Giro	5.00%	0.47%
TabunganKu iB	-	0.09%
Laku Pandai Savings		0.13%
Simpel Savings	-	0.09%
Santri Savings		0.19%
Umroh iB Amanah Savings	-	0.09%
Haji Amanah Savings	10.00%	0.95%
Barokah Savings	12.50%	1.19%
iB Barokah Sejahtera Savings	4.00%	0.38%
iB Barokah Plan Savings	25.00%	2.37%
iB Barokah Pension Savings	15.00%	1.42%
1 Month Deposit	36.00%	3.42%
3 Months Deposit	38.00%	3.61%
6 Months Deposit	41.00%	3.89%
12 Months Deposit	42.50%	4.03%

Prime Lending Rate

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 Prime Lending Rate

Bank Jatim Basic Loan Interest Rate as of December 2022				
Based on Business Segments				
Corporate Loan	Retail Loan	Micro Loan	Consumption Loan	
			KPR	Non KPR
6.11%	7.17%	12.14%	7.36%	9.06%

Prime Lending Rate (SBDK) 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 2022 amounted to IDR94,164,611 million, an increase of 6.63% compared to 2021 which amounted to IDR88,307,346 million. The quality of earning assets in 2022 is in the current category of IDR91,890,509 million, in special mention of IDR913,085 million, substandard IDR51,408 million, doubtful IDR77,939 million and loss of IDR1,231,670 million.

Table of Kualitas Asset Produktif

(in IDR million)

No	POSTS	INDIVIDUAL						
		31 December 2022						
		Current	Special Mention	Sub- standard	Doubtful	Loss	Total	
I RELATED PARTIES								
1	Placement with other banks							
	a. Rupiah	-	-	-	-	-	-	
	b. Foreign Exchange	-	-	-	-	-	-	
2	Spot and derivatives/forward receivables							
	a. Rupiah	-	-	-	-	-	-	
	b. Foreign exchange	-	-	-	-	-	-	
3	Securities owned							
	a. Rupiah	-	-	-	-	-	-	
	b. Foreign exchange	-	-	-	-	-	-	
4	Securities sold under repurchased 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 and financing provided							
	a. Micro, Small and Medium Enterprises (UMKM) Debtors							
	i. Rupiah	9,755	-	-	-	-	9,755	
	ii. Foreign exchange	-	-	-	-	-	-	



No	POSTS	INDIVIDUAL						
		31 December 2022						
		Current	Special Mention	Sub- standard	Doubtful	Loss	Total	
	b. Not a MSME debtor							
	i. Rupiah	122,270	2,846	-	-	-	125,116	
	ii. Foreign exchange	-	-	-	-	-	-	
	c. Restructured Loan**)							
	i. Rupiah	-	-	-	-	-	-	
	ii. Foreign exchange	-	-	-	-	-	-	
8	Equity instrument	-	-	-	-	-	-	
9	Equity Capital	-	-	-	-	-	-	
10	Other receivables	-	-	-	-	-	-	
11	Commitment and contingencies							
	a. Rupiah	-	-	-	-	-	-	
	b. Foreign exchange	-	-	-	-	-	-	
12	Reposessed assets	-	-	-	-	-	-	
	TOTAL	132,025	2,846	-	-	-	134,871	
II NON-RELATED PARTIES								
1	Placement with other banks							
	a. Rupiah	4,362,457	-	-	-	-	4,362,457	
	b. Foreign exchange	112,672	-	-	-	-	112,672	
2	Spot and derivatives/forward receivables							
	a. Rupiah	361	-	-	-	-	361	
	b. Foreign exchange	-	-	-	-	-	-	
3	Securities owned							
	a. Rupiah	23,217,308	-	-	-	-	23,217,308	
	b. Foreign exchange	362	-	-	-	-	362	
4	Securities sold under repurchased agreement (Repo)							
	a. Rupiah	4,095,066	-	-	-	-	4,095,066	
	b. Foreign exchange	-	-	-	-	-	-	

	INDIVIDUAL					
	31 December 2022					
	Current	Special Mention	Sub-standard	Doubtful	Total	Jumlah
	149,973	2,648	-	-	-	152,621
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	180,241	2,648	-	-	-	182,889
	2,040,822	-	-	-	-	2,040,822
	62,859	-	-	-	-	62,859
	-	-	-	-	-	-
	-	-	-	-	-	-
	32,388,966	-	-	-	-	32,388,966
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-



No	POSTS	INDIVIDUAL						
		31 December 2022						
		Current	Special Mention	Sub- standard	Doubtful	Loss	Total	
5	Claims on securities purchased under agreement to resell (Reverse Repo)							
	a. Rupiah	7,822,847	-	-	-	-	7,822,847	
	b. Foreign exchange	-	-	-	-	-	-	
6	Acceptance bill	-	-	-	-	-	-	
7	Loans and financing provided							
	a. Micro, Small and Medium Enterprises (UMKM) Debtors							
	i. Rupiah	1,124,305	44,226	3,299	2,312	30,025	1,204,167	
	ii. Foreign exchange	-	-	-	-	-	-	
	b. Not a MSME debtor							
	i. Rupiah	42,726,029	858,057	47,785	75,553	1,150,195	44,857,619	
	ii. Foreign exchange	-	-	-	-	-	-	
	c. Restructured Loan							
	i. Rupiah	3,877,798	7,956	324	74	51,450	3,937,602	
	ii. Foreign exchange	-	-	-	-	-	-	
	iii Property loan							
8	Equity instrument	-	-	-	-	-	-	
9	Temporary equity capital	-	-	-	-	-	-	
10	Other receivables	-	-	-	-	-	-	
11	Commitment and contingencies							
	a. Rupiah	4,372,576	-	-	-	-	4,372,576	
	b. Foreign exchange	46,703	-	-	-	-	46,703	
12	Reposessed assets	-	-	-	-	-	-	
	TOTAL	91,758,484	910,239	51,408	77,939	1,231,670	94,029,740	
		91,890,509	913,085	51,408	77,939	1,231,670	94,164,611	
III OTHER INFORMATION								
1	Total pledged bank assets:							
	a. At Bank Indonesia	-	-	-	-	-	-	
	b. On the other hand	-	-	-	-	-	-	

	INDIVIDUAL					
	31 December 2022					
	Current	Special Mention	Sub-standard	Doubtful	Total	Jumlah
	-	-	-	-	-	-
	3,420,685	-	-	-	-	3,420,685
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,021,347	511,880	30,926	33,031	960,521	10,557,705
	-	-	-	-	-	-
	30,848,043	269,028	31,938	58,506	801,450	32,008,965
	-	-	-	-	-	-
	3,151,684	26,157	547	-	122,576	3,300,964
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	4,300,733	-	-	-	-	4,300,733
	42,758	-	-	-	-	42,758
	-	-	-	-	-	-
	-	-	-	-	-	-
	85,277,897	807,065	63,411	91,537	1,884,547	88,124,457
	85,458,138	809,713	63,411	91,537	1,884,547	88,307,346
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

No	POSTS	INDIVIDUAL						
		31 December 2022						
		Current	Special Mention	Sub- standard	Doubtful	Loss	Total	
2	Total CKPN on financial assets on productive assets	-	-	-	-	-	1,366,019	
3	Total PPA that must be formed for assets	-	-	-	-	-	1,870,191	
4	Percentage of credit to MSMEs to total credit	-	-	-	-	-	2.63%	
5	Percentage of credit to Small Micro Enterprises (UMK) to total credit	-	-	-	-	-	17.61%	
6	Percentage of total MSME debtors to total debtors	-	-	-	-	-	43.49%	
7	Percentage of total debtors of Micro Small Enterprises (UMK) to total debtors	-	-	-	-	-	40.90%	
8	Others							
a.	Channeling loans	-	-	-	-	-	648,319	
b.	Distribution of Mudharabah Muqayyadah funds	-	-	-	-	-	-	
c.	Write-off productive assets	-	-	-	-	-	3,728,649	
d.	Written off productive asset that were recovered/ successfully billed	-	-	-	-	-	1,059,644	
e.	Productive assets that are written off	-	-	-	-	-	-	

Bank Capital Structur

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.

	INDIVIDUAL					
	31 December 2022					
	Current	Special Mention	Sub-standard	Doubtful	Total	Jumlah
	-	-	-	-	-	1,864,822.00
	-	-	-	-	-	2,707,721.00
	-	-	-	-	-	24.77%
	-	-	-	-	-	16.13%
	-	-	-	-	-	53.48%
	-	-	-	-	-	50.77%
	-	-	-	-	-	662,168.00
	-	-	-	-	-	-
	-	-	-	-	-	2,806,748.00
	-	-	-	-	-	948,783.00
	-	-	-	-	-	-

The main objective of the Bank's capital management was to ensure that the Bank maintains a healthy capital ratio in order to support the business and maximize shareholder value. Companies were required to comply with the Capital Adequacy Ratio (KPM) as stipulated by Bank Indonesia.

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 2022, Bank Jatim has met all the required capital requirements.

Capital Structure Details

In accordance with the Bank Indonesia 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 2022 reached IDR10,346,392 million, an increase of 11.29% or IDR1,049,200 million compared to 2021 which was IDR9,297,192 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. The total supplementary capital of Bank Jatim in 2022 is IDR437,563 million, an increase of 5.42% or IDR22,492 million compared to 2021 which was IDR415,071 million.

Table of Capital Structure

(in IDR million)

Bank Jatim Capital Adequacy Position	2022	2021	2020	Growth 2021-2022	
				Nominal	%
Core Capital	10,346,392	9,297,192	8,411,757	1,049,200	11.29%
Supplementary Capita	437,563	415,071	414,072	22,492	5.42%
Total Core Capital and Supplementary Capital	10,783,955	9,712,263	8,825,829	1,071,692	11.03%
Risk Weighted Assets (RWA) for Credit Risk	34,567,488	32,790,641	32,711,702	1,776,847	5.42%
Risk Weighted Assets (RWA) for Operational Risk	8,917,841	8,397,351	7,978,478	520,490	6.20%
Risk Weighted Assets (RWA) for Market Risk	108,144	98,936	85,830	9,208	9.31%
Total Risk Weighted Asset	43,593,473	41,286,928	40,776,010	2,306,545	5.59%
CAPITAL ADEQUACY RATIO (%)					
CET 1 Ratio	23.73%	22.52%	20.63%	1.22%	5.40%
Minimum capital adequacy ratio for credit risk and operational risk	24.80%	23.58%	21.70%	1.22%	5.17%
Minimum capital adequacy ratio for credit risk, market risk and operational risk	24.74%	23.52%	21.64%	1.21%	5.16%

Information on Capital and Risk Exposure

In accordance with the complexity of its business, the Bank manages 8 (eight) types of risk, namely credit risk, liquidity risk, market risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk. However, this section only describes risk management practices for credit risk, market risk and liquidity risk. Meanwhile, explanations related to other types of risk are presented in the Risk Profile and Management section on Corporate Governance in this Annual Report.

Disclosure of Quantitative Risk Exposure

Based on the Financial Services Authority Regulation (POJK) Number 37/POJK.03/2019 and OJK Circular Letter Number 9/SEOJK.03/2020 Concerning Transparency and Publication of Bank Reports and POJK Number 18/POJK.03/2016 concerning Implementation of Risk Management.

Credit Risk

Credit risk is the risk due to default by the debtor and/or counterparty in fulfilling liabilities to the Bank. Regarding specific

credit risk exposures such as individual credit, interbank facilities and so on, the Bank evaluates it separately using factors that may differ, according to the specific characteristics of each type of exposure. In managing credit risk, the Bank has credit policies and guidelines that are periodically refined, while still being based on the principle of independent risk management in accordance with Bank Indonesia regulations and other external regulations.

The Bank's maximum exposure to credit risk for financial instruments on the statement of financial position and administrative accounts, is assessed without taking into account collateral held or other credit protection. As of December 31, 2022 and 2021, the maximum credit risk disclosures based on concentration before taking into account collateral held and master netting agreements are as follows:

Konsentrasi Risiko Kredit Berdasarkan Geografis

Table of Credit Risk Concentration by Geographic Year 2022

(in IDR million)

Description	31 December 2022					
	East Java	Java other than East Java	Sumatera	Borneo	Others	Total
FINANCIAL POSITION						
Currents account with Bank Indonesia	-	10,786,740	-	-	-	10,786,740
Currents account with other banks	-	302,688	-	-	-	302,688
Placement with Bank Indonesia and other banks	1,152,000	2,702,379	538,000	449,000	2,071,796	6,913,175
Spot and derivative bills	361	-	-	-	-	361
Securities						
Amortized cost	-	14,740,662	-	-	-	14,740,662
Fair value through other comprehensive income	-	8,476,609	-	-	-	8,476,609
Securities sold under agreements to repurchase	-	4,095,066	-	-	-	4,095,066
Securities purchased under agreements to resell	-	7,822,847	-	-	-	7,822,847
Other bill	286,147	-	-	-	-	286,147
Loan given						
Working capital	8,483,137	1,014,245	677,316	-	-	10,174,698
Investment	3,359,791	2,161,406	370,368	479,607	-	6,371,172
Consumption	28,151,362	143,306	37,289	70	148	28,332,175
Interest receivables	629,389	13,694	2,288	752	2	646,125
Total	42,062,187	52,259,642	1,625,261	929,429	2,071,946	98,948,465
ADMINISTRATIVE ACCOUNT						
Credit facilities to customers who have not been used	2,412,262	971,071	610	15,569	-	3,399,512
Issued bank guarantee	1,019,766	-	-	-	-	1,019,766
Total	3,432,028	971,071	610	15,569	-	4,419,278



Table of Credit Risk Concentration by Geographic Year 2021

(in IDR million)

Description	31 December 2022					
	East Java	Java other than East Java	Sumatera	Borneo	Others	Total
FINANCIAL POSITION						
Currents account with Bank Indonesia	-	8,805,300	-	-	-	8,805,300
Currents account with other banks	-	211,443	-	-	-	211,443
Placement with Bank Indonesia and other banks	1,152,001	5,705,135	5380	4490	2,071,796	9,915,932
Securities						
Amorized cost	-	20,828,263	-	-	-	20,828,263
Fair value through other comprehensive income	-	11,554,760	-	-	-	11,554,760
Securities sold under agreements to repurchase	-	-	-	-	-	-
Securities purchased under agreements to resell	-	3,420,685	-	-	-	3,420,685
Other bill	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 receivables	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						
Credit facilities to customers who have not been used	2,370,071	784,709	2,784	24,416	-	3,181,980
Issued bank guarantee	1,161,510	-	-	-	-	1,161,510
Total	3,531,581	784,709	2,784	24,416	-	4,343,490

Credit Risk Concentration Based on Industry Sector

Table of Credit Risk Concentration Based on Industrial Sector in 2022

(in IDR million)

Description	31 December 2022					
	Government and Bank Indonesia	Non-bank Financial Institution	Bank	Other Company	Individual	Total
FINANCIAL POSITION						
Currents account with Bank Indonesia	10,786,740	-	-	-	-	10,786,740
Currents account with other banks	-	-	302,688	-	-	302,688
Placement with Bank Indonesia and other banks	6,913,175	-	-	-	-	6,913,175
<i>Spot and derivative bills</i>	-	-	361	-	-	361
Securities	-					
Amorized cost	12,425,335	-	327,018	1,988,309	-	14,740,662

Description	31 December 2022					
	Government and Bank Indonesia	Non-bank Financial Institution	Bank	Other Company	Individual	Total
Fair value through other comprehensive income	8,476,609	-	-	-	-	8,476,609
Securities sold under agreements to repurchase	4,095,066	-	-	-	-	4,095,066
Securities purchased under agreements to resell	-	-	7,822,847	-	-	7,822,847
Other bill	-	-	-	-	286,147	286,147
Loan given						
Working capital	177,813	327,211	315,826	2,937,209	6,416,639	10,174,698
Investment	5,662	1,436	-	4,828,916	1,535,158	6,371,172
Consumption	-	1,000	3,897	14,773	28,312,505	28,332,175
Interest receivables	433	2,025	535	41,024	602,108	646,125
Total	42,880,833	331,672	8,773,172	9,810,231	37,152,557	98,948,465
ADMINISTRATIVE ACCOUNT						
Credit facilities to customers who have not been used	-	-	132,932	-	3,266,580	3,399,512
Issued bank guarantee	-	-	-	-	1,019,766	1,019,766
Total	-	-	132,932	-	4,286,346	4,419,278

Table of Credit Risk Concentration Based on Industrial Sector in 2021

(in IDR million)

Description	31 December 2021					
	Government and Bank Indonesia	Bank	Non-bank Financial Institution	Other Company	Individual	Total
FINANCIAL POSITION						
Currents account with Bank Indonesia	8,805,300	-	-	-	-	8,805,300
Currents account with other banks	-	-	211,443	-	-	211,443
Placement with Bank Indonesia and other banks	9,915,932	-	-	-	-	9,915,931
Spot and derivative bills	-	-	-	-	-	-
Securities						
Amorized 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 agreements to repurchase	-	-	-	-	-	-
Securities purchased under agreements to resell	-	-	3,420,685	-	-	3,420,685
Other bill	-	-	-	-	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

Description	31 December 2021					
	Government and Bank Indonesia	Bank	Non-bank Financial Institution	Other Company	Individual	Total
Interest receivables	732	1,155	721	128,463	662,829	793,900
Total	46,418,400	170,538	4,157,432	11,908,169	34,023,905	96,678,443
ADMINISTRATIVE ACCOUNT						
Credit facilities to customers who have not been used	-	-	271,800	-	2,910,180	3,181,980
Issued bank guarantee	-	-	-	-	1,161,510	1,161,510
Total	-	-	271,800	-	4,071,690	4,343,490

Credit Risk Measurement

The estimation of credit exposure for risk management purposes is complex. It requires the use of models because exposures vary with changes in market conditions, expected cash flows, and the passage of time. Assessment of the credit risk of a portfolio of assets requires further estimation of the probability of default, the ratio of associated losses, and the correlation of default between counterparties. Banks measure credit risk using the Probability of

Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). This is the same as the approach used for the purpose of measuring Expected Credit Losses (ECL) based on PSAK 71.

Impairment Evaluation

The following is the risk of financial assets based on the classification of evaluation of impairment as of December 31, 2022, and 2021.

Table of Impairment Evaluation of Current Accounts with Other Banks

(in IDR million)

Description	31 December 2022				31 December 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Indonesia Rupiah	190,456	-	-	190,456	148,821	-	-	148,821
Foreign exchange	112,673	-	-	112,673	62,860	-	-	62,860
Total	303,129	-	-	303,129	211,681	-	-	211,681
Allowance for impairment losses	(441)	-	-	(441)	(238)	-	-	(238)
Net	302,688	-	-	302,688	211,443	-	-	211,443

Table of Impairment Evaluation of Placements with Bank Indonesia and Other Banks

(in IDR million)

Description	31 December 2022				31 December 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
IDR:								
Placement in Bank Indonesia	2,744,329	-	-	2,744,329	8,025,695	-	-	8,025,695
Interbank call money	4,165,000	-	-	4,165,000	1,892,000	-	-	1,892,000
Time deposit	7,000	-	-	7,000	-	-	-	-
Total	6,916,329	-	-	6,916,329	9,917,695	-	-	9,917,695
Allowance for impairment losses	(3,154)	-	-	(3,154)	(1,763)	-	-	(1,763)
Net	6,913,175	-	-	6,913,175	9,915,932	-	-	9,915,932

Table of Evaluation of Impairment of Securities Value Impairment

(in IDR million)

Description	31 December 2022				31 December 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
IDR:								
Government bonds	20,501,941	-	-	20,501,941	27,085,033	-	-	27,085,033
Bonds	1,851,074	-	-	1,851,074	2,071,699	-	-	2,071,699
Sukuk of Bank Indonesia	400,000	-	-	400,000	541,392	-	-	541,392
nterbank Mudarabah Investment Certificate	325,000	-	-	325,000	139,000	-	-	139,000
Reksadana	90,000	-	-	90,000	2,339,000	-	-	2,339,000
Negotiable Certificate of Deposit	47,237	-	-	47,237	206,095	-	-	206,095
Medium Term Securities	2,056	-	-	2,056	-	-	-	-
Foreign Exchange:		-	-					
Bill	362	-	-	362	6,747	-	-	6,747
Total	23,217,671	-	-	23,217,671	32,388,966	-	-	32,388,966
Provision for impairment losses on financial assets	(400)	-	-	(400)	(5,493)	-	-	(5,493)
Net	23,217,271	-	-	23,217,271	32,383,023	-	-	32,383,023

Table of Evaluation of Impairment of Credit Distributed

(in IDR million)

Description	31 December 2022				31 December 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Multipurpose loan	23,578,636	37,542	181,718	23,797,896	22,065,382	44,080	189,543	22,299,005
Working capital loan	2,400,068	104,398	293,573	2,798,039	2,335,341	100,375	628,283	3,063,999
Covid-19 Restructurisation	3,160,896	33,974	337,404	3,532,274	2,440,353	80,778	160,161	2,681,292
Wholesale and retail	1,654,813	91,337	200,612	1,946,762	1,809,681	127,280	257,577	2,194,538
Employee loans	2,050,789	3,144	23,193	2,077,126	2,096,595	4,227	23,497	2,124,319
Mining, quarrying, electricity, and transportation	1,220,386	11,991	119,168	1,351,545	1,496,205	9,299	362,719	1,868,223
Housing loans	1,222,011	116,132	241,184	1,579,327	1,316,894	106,379	286,119	1,709,392
Public, social culture, entertainment, and other individual services	747,574	8,375	25,022	780,971	1,580,845	7,783	40,464	1,629,092
Agriculture, hunting and forestry	748,259	117,445	67,375	933,079	897,087	29,202	69,892	996,181
Processing industry	1,614,145	20,003	51,057	1,685,205	818,883	19,370	54,050	892,303
People's business credit	2,393,551	29,099	12,857	2,435,507	576,342	262	-	576,604
Financial intermediaries	604,442	18,758	24,849	648,049	417,828	11,948	20,970	450,746
Linkage program	216,994	-	-	216,994	267,732	1	267	267,999
Accommodation, food and beverages	129,987	4,617	8,080	142,684	116,664	7,941	8,706	133,311
Other business and households	147,980	914	328	149,222	64,873	13	-	64,886
Real estate, business rental and services	18,096	635	10,566	29,297	15,743	402	11,116	27,261
Cattle Breeding Business Loan	-	-	2,142	2,142	-	-	4,036	4,036



Description	31 December 2022				31 December 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Individual service which serve households	8,773	294	499	9,566	2,398	382	93	2,873
Energy and Food Stability Loan	-	-	317	317	-	-	770	770
Limit activities that are not yet clear	2,989	-	-	2,989				-
Others	174,194	-	-	174,194	361	-	-	361
	42,094,583	598,658	1,599,944	44,293,185	38,319,207	549,721	2,118,263	40,987,191
Allowance for impairment losses	(263,059)	(61,303)	(911,041)	(1,235,403)	(15,807)	(73,110)	(1,659,070)	(1,747,987)
Conventional - Net	41,831,524	537,355	688,903	43,057,782	38,303,400	476,611	459,193	39,239,204

Description	31 December 2022				31 December 2021		
	Not-Impaired	Impaired		Total	Not-Impaired	Impaired	
		Individual	Collective			Individual	Collective
Sharia	1,802,438	101,034	-	1,903,472	1,670,823	91,545	-
Allowance for impairment losses	(33,308)	(49,901)	-	(83,209)	(35,476)	(47,954)	-
Sharia - Net	1,769,130	51,133	-	1,820,263	1,635,347	43,591	-
Total - net	43,600,654	588,488	688,903	44,878,045	39,938,747	520,202	459,193

Table of Movements in Allowance for Impairment Losses Based on Type of Loans Extended

(in IDR million)

Description	31 December 2022				31 December 2021			
	Working capital	Investment	Consumption	Total	Working capital	Investment	Consumption	Total
Balance at beginning of year	1,192,221	257,879	381,317	1,831,417	960,358	239,533	254,830	1,454,721
Provision during the year	267,676	52,363	67,715	387,754	261,450	22,153	149,514	433,117
Written-off during the year	(666,582)	(110,757)	(123,220)	(900,559)	(29,587)	(3,807)	(23,027)	(56,421)
Balance at December 31	793,315	199,485	325,812	1,318,612	1,192,221	257,879	381,317	1,831,417
Individual impairment	570,537	92,889	203,467	866,893	1,179,676	249,657	332,682	1,762,015
Collective impairment for non-impaired loans	222,778	106,596	122,345	451,719	12,545	8,222	48,635	69,402
Balance at December 31	793,315	199,485	325,812	1,318,612	1,192,221	257,879	381,317	1,831,417

The table below shows the credit quality per type of financial instrument that has not yet matured and Not-Impaired (excluding allowance for impairment losses):

Table of Credit Quality per Type of Financial Instruments That Have Not Matured and Not-Impaired in 2022

(in IDR million)

Description	31 December 2022				
	Not Matured and Not-Impaired		Past-due but not impaired	Impaired	Total
	High grade	Standard grade			
AMORTIZED COST					
Government's bonds	12,025,332	-	-	-	12,025,332
Mutual Funds	90,000	-	-	-	90,000
Bonds	1,851,074	-	-	-	1,851,074
Sukuk of Bank Indonesia	400,000	-	-	-	400,000
Negotiable Certificate of Deposit	47,237	-	-	-	47,237
Investment Cerificate	325,000	-	-	-	325,000
Bill	2,418	-	-	-	2,418
	14,741,062	-	-	-	14,741,062
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Government's bonds	8,476,609	-	-	-	8,476,609
AMORTIZED COST					
Currents account with Bank Indonesia	10,786,740	-	-	-	10,786,740
Currents account with other banks	303,129	-	-	-	303,129
Placement with Bank Indonesia and other banks	6,916,329	-	-	-	6,916,329
Spot and derivative receivables	361	-	-	-	361
Reverse repo receivables	7,822,847	-	-	-	7,822,847
Other receivables	286,147	-	-	-	286,147
Loans and sharia financing					
Working capital	-	10,259,372	-	708,638	10,968,010
Investment	-	6,448,282	-	122,376	6,570,658
Consumption	-	28,179,834	-	478,155	28,657,989
Interest receivables	-	646,125	-	-	646,125
Total	49,333,224	45,533,613	-	1,309,169	96,176,006
Allowances for impairment losses	-	(499,126)	-	(823,481)	(1,322,607)
Net	49,333,224	45,034,487	-	485,688	94,853,399

Table of Credit Quality per Type of Financial Instruments that are Not Matured and Not-Impaired in 2021

(in IDR million)

Description	31 December 2021				
	Not Matured and Not-Impaired		Past-due but not impaired	Impaired	Total
	High grade	Standard grade			
AMORTIZED COST					
Government's bonds	15,530,273	-	-	-	15,530,273
Mutual Funds	2,071,699	-	-	-	2,071,699
Bank Indonesia Deposit Certificate	541,392	-	-	-	541,392
Investment Cerificate	139,000	-	-	-	139,000
Negotiable Certificate of Deposit	206,095	-	-	-	206,095
Reksadana	2,339,000	-	-	-	2,339,000
Bill	6,747	-	-	-	6,747
	20,834,206				20,834,206
FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Government's bonds	11,554,760	-	-	-	11,554,760
AMORTIZED COST					
Currents account with Bank Indonesia	8,805,300	-	-	-	8,805,300
Currents account with other banks	211,681	-	-	-	211,681
Placement with Bank Indonesia and other banks	9,917,695	-	-	-	9,917,695
Reverse repo receivables	3,420,685	-	-	-	3,420,685
Other receivables	230,019	-	-	-	230,019
Loans and sharia financing					
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 receivables	-	793,900	-	-	793,900
Total	54,974,345	41,627,087	-	1,916,372	98,517,805
Allowances for impairment losses	-	(77,347)	-	(1,787,474)	(1,864,821)
Net	54,974,346	41,549,740	-	128,898	96,652,984

Market Risk

Market risk is the risk that occurs in the statements of financial position and administrative accounts due to changes in market variables, such as interest rates and exchange rates. Market risk is almost inherent in all operational activities of the Bank, both in the banking book and trading book.

Market risk management is carried out in accordance with the Bank's policies and procedures related to products and services

as well as treasury activities and the risks inherent in the business. Interest rate risk arises from changes in financial instrument prices from trading book positions or from changes in the economic value of banking book positions, due to changes in interest rates. In managing interest rate risk, it is carried out on banking book exposure, taking into account the position of gaps in the Bank's assets and liabilities which are sensitive to movements in interest rates that affect the stability of the Bank's profitability level.

The table below represents the average annual contractual interest rates for significant financial assets and liabilities as of December 31, 2022 and 2021:

Table of Average Annual Contractual Interest Rates for Significant Financial Assets and Liabilities

(in %)

Description	31 December 2022		31 December 2021	
	IDR	USD	IDR	USD
ASSETS				
Current accounts with Bank Indonesia	0.00%	0.00%	0.00%	0.00%
Current accounts with other banks	0.02%	0.04%	0.03%	0.02%
Placements with Bank Indonesia and other banks	1.33%	0.47%	3.00%	0.03%
Marketable securities	7.99%	0.00%	7.67%	0.00%
Marketable securities sold under repurchased agreement	5.38%	0.00%	0.00%	0.00%
Marketable securities purchased under resale agreement	5.80%	0.00%	3.50%	0.00%
Loans and sharia financing	10.50%-12.75%	0.00%	10.50%-12.75%	0.00%
LIABILITIES				
Deposits from customers	0.00% - 2.74%	0.00% - 0.16%	0.00%-3.00%	0.00%-0.25%
Deposits from other banks	0.00% - 2.27%	-	0.31%-3.22%	-

The following table summarizes the Bank's exposure to interest rate risk (gross) which may have an impact on future cash flows as of December 31, 2022 and 2021:

Table of Bank Exposure to Interest Rate Risk (Gross) in 2022

(in IDR million)

Description	31 December 2022					
	Floating interest rate					
	Not more than 3 months	3 months but less than 1 year	1 year and up	Fixed interest rate	Non-interest bearing	Total
FINANCIAL ASSETS						
Cash	1,988,262	-	-	-	-	1,988,262
Current accounts with Bank Indonesia	10,786,740	-	-	-	-	10,786,740
Current accounts with other banks	302,688	-	-	-	-	302,688
Placements with Bank Indonesia and other banks	6,913,175	-	-	-	-	6,913,175
Marketable securities						
Amortized cost	1,578,463	4,995,096	8,167,102	-	-	14,740,661
Fair value through other comprehensive income	-	-	8,476,609	-	-	8,476,609
Marketable securities sold under repurchased agreement	4,095,066	-	-	-	-	4,095,066
Marketable securities purchased under resale agreement	7,822,847	-	-	-	-	7,822,847
Other receivable	286,147	-	-	-	-	286,147
Loans and sharia financing						
Working capital	-	-	-	10,968,010	-	10,968,010
Investment	-	-	-	6,570,658	-	6,570,658

Description	31 December 2022					
	Floating interest rate					
	Not more than 3 months	3 months but less than 1 year	1 year and up	Fixed interest rate	Non-interest bearing	Total
Consumption	-	-	-	28,657,989	-	28,657,989
Interest receivable	74,213	14,396	557,516	-	-	646,125
Total financial assets	33,847,601	5,009,492	17,201,227	46,196,657	-	102,254,977
FINANCIAL LIABILITIES						
Obligations due immediately	872,514	-	-	-	-	872,514
Deposits from customers						
Current accounts	23,634,773	-	-	-	-	23,634,773
Savings accounts	26,343,817	-	-	-	-	26,343,817
Time deposits	-	-	-	31,788,793	-	31,788,793
Deposits from other banks	3,334,563	4,560	-	-	-	3,339,123
Borrowings	-	481,532	-	-	71,867	553,399
Accrued expenses	520,840	-	-	-	-	520,840
Other liabilities	550,119	-	-	-	-	550,119
Total financial liabilities	55,256,626	486,092	-	31,788,793	71,867	87,603,378
Net interest repricing gap	(21,409,025)	4,523,400	17,201,227	14,407,864	(71,867)	14,651,599

Table of Bank Exposure to Interest Rate Risk (Gross) in 2021

(in IDR million)

Description	Description					
	Floating interest rate					
	Not more than 3 months	Not more than 3 months	Not more than 3 months	Not more than 3 months	Not more than 3 months	Total
FINANCIAL ASSETS						
Cash	2,023,077	-	-	-	-	2,023,077
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	-	-	-	-	9,915,932
Marketable 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
Marketable securities sold under repurchased agreement						
Marketable securities purchased under resale agreement	3,420,685	-	-	-	-	3,420,685

Description	Description					
	Floating interest rate					
	Not more than 3 months	Not more than 3 months	Not more than 3 months	Not more than 3 months	Not more than 3 months	Total
Other receivable	230,019					230,019
Loans and sharia financing						
Working capital	-	-	-	9,668,644	-	9,668,644
Investment	-	-	-	5,825,776	-	5,825,776
Consumption	-	-	-	27,255,139	-	27,255,139
Interest receivable	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						
Obligations due immediately	593,875	-	-	-	-	593,875
Deposits from customers						
Current accounts	25,976,409	-	-	-	-	25,976,409
Savings accounts	24,898,778	-	-	-	-	24,898,778
Time deposits	-	-	-	32,326,680	-	32,326,680
Deposits from other banks	4,186,840	1,060	-	-	-	4,187,900
Borrowings	-	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
Net interest repricing gap	(14,465,715)	2,034,793	12,970,159	10,422,879	(76,493)	10,885,623

The following table shows the sensitivity to a possible one percentage point change in reasonable interest rates, with all other variables held constant, in the Bank's statement of profit or loss and other comprehensive income. The sensitivity of the statement of comprehensive income is the impact of changes in

the assumption of interest rates in the statement of profit or loss and other comprehensive income in that period. The sensitivity of total profit or loss is based on the assumption of parallel shifts in the yield curve.

Table of Sensitivity to Possibility of Change

(in IDR million)

Description	31 December 2022	
	Increase	Decrease
Effect on the statement of profit or loss and other comprehensive income	23,798	(23,798)

The Bank is exposed to interest rate risk in Singapore Dollars, USD, Euros, etc. Exchange rate risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign currency exchange rates. Currency risk is the possible loss of income arising from changes in foreign exchange rates. The

Bank manages exposure to the effects of fluctuations in foreign currency exchange rates by maintaining foreign currency risk within existing regulatory guidelines (i.e., maintaining the Net Open Position in accordance with Bank Indonesia regulations). As of December 31, 2022, and 2021, the influence of foreign currency exchange rates is not significant to the Bank.

Liquidity Risk

Liquidity risk results from the Bank's inability to meet maturing liabilities from cash flow funding sources and/or from high-quality liquid assets that can be used as collateral without disrupting the Bank's activities and financial condition. The Bank measures liquidity risk using the Liquidity Risk Model with a maturity profile

gap methodology. Management of daily liquidity conditions is carried out by the Treasury Unit, and external and macroeconomic changes that occur are immediately informed and internal strategies and policies are adopted, including through the Asset and Liabilities Committee (ALCO) mechanism.

The ratio of net liquid assets to customer deposits is as follows:

Table of the Ratio of Net Liquid Assets to Customer Deposits

(in IDR million)

Description	31 December 2022	31 December 2021
Cash and cash equivalent	19,994,460	20,957,753
Marketable securities sold under purchased agreement	4,095,066	-
Reverse repo receivables	7,822,847	3,420,685
Deposits from other banks	3,339,123	4,187,900
Total	35,251,496	28,566,338
Deposits from customers	81,767,383	83,201,867
Ratio of net liquid assets to deposit from customers	43.11%	34.33%

The following maturity table presents information regarding the estimated remaining maturities of financial assets and liabilities (principal only) as of December 31, 2022 and 2021:

Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Basic Only) in 2022

(in IDR million)

Description	31 Desember 2022					
	Carrying value	Less than 1 month	1- 3 months	3 - 6 months	6 - 12 months	More than 12 months
FINANCIAL ASSETS						
Cash	1,988,262	1,988,262	-	-	-	-
Current accounts with Bank Indonesia	10,786,740	230,541	-	-	-	10,556,199
Current accounts with other banks	302,688	302,688	-	-	-	-
Placements with Bank Indonesia and other banks	6,913,175	6,306,518	606,657	-	-	-
Marketable securities						
Amortized cost	14,740,661	725,515	852,948	2,367,794	2,627,302	8,167,102
Fair value through other comprehensive income	8,476,609	-	-	-	-	8,476,609
Marketable securities sold under repurchased agreement	4,095,066	4,095,066	-	-	-	-
Marketable securities purchased under resale agreement	7,822,847	7,440,160	-	-	192,726	189,961
Other receivable	286,147	286,147	-	-	-	-
Loans and sharia financing						
Working capital	10,174,698	474,092	591,709	1,027,046	1,904,233	6,177,618
Investment	6,371,172	35,082	2,414	7,284	32,541	6,293,851
Consumption	28,332,175	16,380	25,106	68,179	320,447	27,902,063

Description	31 Desember 2022					
	Carrying value	Less than 1 month	1- 3 months	3 - 6 months	6 - 12 months	More than 12 months
Interest receivable	646,125	25,795	48,418	9,901	4,495	557,516
Total	100,936,365	21,926,246	2,127,252	3,480,204	5,081,744	68,320,919
FINANCIAL LIABILITIES						
Obligations due immediately	916,091	916,091	-	-	-	-
Deposits from customers	81,767,383	11,214,472	16,200,878	1,699,788	10,878,340	41,773,905
Deposits from other banks	3,339,123	3,287,933	46,630	60	4,500	-
Borrowings	553,399	150,517	-	-	-	402,882
Accrued expenses	520,840	520,840	-	-	-	-
Other liabilities	550,119	550,119	-	-	-	-
Total	87,646,955	16,639,972	16,247,508	1,699,848	10,882,840	42,176,787
Maturity gap	13,289,410	5,286,274	(14,120,256)	1,780,356	(5,801,096)	26,144,132

Table of Information on Estimated Remaining Maturity of Financial Assets and Liabilities (Basic Only) in 2021

(in IDR million)

Description	31 Desember 2021					
	Carrying 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 accounts 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
Marketable 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	-	-	-
Marketable securities sold under repurchased agreement	-	-	-	-	-	-
Marketable securities purchased under resale agreement	3,420,685	3,420,685	-	-	-	-
Other receivable	230,019	230,019	-	-	-	-
Loans and sharia financing						
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 receivable	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



Description	31 Desember 2021					
	Carrying value	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 12 months
FINANCIAL LIABILITIES						
Obligations due immediately	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	-
Borrowings	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
Maturity gap	9,054,206	13,617,087	(14,826,894)	(1,175,199)	(775,585)	12,214,797

Material Commitments Related to Capital Goods Investment

Bank Jatim does not have a material ties for investment in capital goods in 2022.

Capital Expenditure Investment

Investment in the form of capital expenditure is an activity of spending funds used to buy a number of permanent assets or add fixed assets that are expected to provide future benefits.

Types and Value of Investment Capital Goods

Types and Investment of Capital Goods are presented in the following table.

Table Types and Value of Investment Capital Goods

(in IDR million)

Type	Value in 2022	Value in 2021
Land, buildings, and complementary facilities	1,124,105	1,037,910
Inventory	621,891	471,237
Vehicle	45,543	33,419
Total	1,791,539	1,542,566

Capital Goods Investment Purpose

Bank Jatim's capital goods spending, among others, aims to develop service office networks and supporting bank operations. All capital goods expenditure transactions are carried out in the

IDR currency so that the bank does not have a risk of foreign exchange rates in capital goods expenditure transactions.

Commitment and Contingent

The bank has receivables and liabilities involving commitments and contingencies as follows

Table of commitment and contingent

(in IDR million)

Description	2022	2021
COMMITMENTS		
Commitments receivables		
IDR:		
Purchase of spot and derivative	156,070	-
Others	1,974,389	908,956
	2,130,459	908,956
Foreign exchange:		
Purchase of spot and derivative	-	-
	-	-
COMMITMENTS LIABILITIES		
IDR		
Unused loan commitments granted to debtors	3,399,512	3,181,980
Total Commitment Liabilities, Net	1,269,053	2,273,024
CONTINGENCIES		
Contingent receivable		
IDR:		
Interest income on past due account	119,108	195,337
Others	13	13
Total contingent receivable	119,121	195,350
Contingent Liabilities		
IDR:		
Bank guarantee issued	973,063	1,118,753
Foreign Exchange:		
Bank guarantee issued	46,703	42,758
Total Contingent Liabilities	1,019,766	1,161,511
Total Contingent liabilities, net	900,645	966,161
Total Commitment and contingencies liabilities, net	2,169,698	3,239,185

Information and Material Facts After The Accountant's Report Date

Until the end of this annual report, there is no description of important events after the date of the accountant's report including its impact on future business performance and risk.

Business Prospects and Future Strategies in 2023

The global economic prospects experienced a decline that was influenced mainly by the increasingly persistent inflation, tightening monetary policy and war in Ukraine. International Monetary Fund (IMF) in the World Economic Outlook (WEO) released in October 2022 projects outlook global economic growth of 2.7% in 2023. While the projection of global inflation is 6.5% in 2023. The development of global economic risk has disrupted the activity Global manufacturing described by PMI global manufacturing is at the level of contraction in September 2022 after more than 2 (two) years at the expansion level. The development of the global financial sector is also experiencing pressure shown an increase in yield and strengthening USD due to tightening monetary policy. These conditions put pressure on national economic stability, but it is still controlled and relatively better than the Peer Countries. The government will remain vigilant and take into account the development of various risks, optimize the role of the state budget to maintain the momentum of recovery, and also strengthen global coordination.

With economic recovery efforts that continue to improve in 2023, the projection of economic growth in 2023 is estimated to reach

5.3%. This estimate is quite realistic by considering the dynamics of recovery and structural reform to encourage more accelerative economic performance, but on the other hand it still anticipates the risk of uncertainty that still overshadows the performance of the national economy going forward. This estimate is quite realistic by considering the dynamics of recovery and structural reform to encourage more accelerative economic performance, but on the other hand it still anticipates the risk of uncertainty that still overshadows the performance of the national economy going forward. Government efforts in supporting economic recovery and maintaining macroeconomic stability will also contribute positively to the decline in poverty, unemployment, and inequality. The government will continue the social protection program to encourage poverty rates in 2023 to decline again in the range of 7.5%-8.5%, open unemployment rates of around 5.3%-6.0%, Improvement of Inequality (Gini Ratio) to 0.375- 0.378, as well as the achievement of the Human Development Index (HDI) in the range of 73.31-73.49.

The East Java economy in 2023 is estimated to be accelerated compared to 2022, in line with the trend of global and domestic economy improvement. East Java's economic performance in 2023 is predicted to be in the range of 3.45% -5.15% (yoy). East Java's economic growth in 2023 is predicted to be driven by the increasingly controlled factor of Pandemic Covid-19 so that community mobility in carrying out economic activities also returns to normal so as to make the economy recover as before.

The capacity and development of the financial services sector in 2023 is still influenced by economic recovery sentiments. Estimates of the growth of the performance of the financial and banking services sector in 2023 are as follows:

Table Projected Growth of Financial Services and Banking Sector Performance in 2023

Institution	Loan	Total TPF
Financial Services Authority ^a	8.5%	-
Bank Indonesia ^b	10% - 12%	-

Source:

^a Statement of Chairman of the OJK Board of Commissioners from [Financial.bisnis.com](https://www.financial.bisnis.com) June 2022;

^b Statement of the Governor of Bank Indonesia from [Finance.kontan.co.id](https://www.finance.kontan.co.id) November 2022

In the future, the direction of developing the digitalization of the banking industry is expected to be more rapid along with the issuance of the Financial Services Authority Regulation (POJK) Number 12/POJK.3/2021 concerning Commercial Banks that accommodate digital banks. In the POJK, digital banks are defined as banks that provide and carry out their main business activities through electronic channels with limited physical offices or without physical offices other than the head office. In the global scope, the dynamics of the digital financial and banking industry are responded by the emergence of Neobank. Neobank is divided into 2 (two) types, namely Full Stack Neobank (having a business license and operating fully digital without physical networks,

for example, neobank operating in America such as monzo and revolut) and front-end neobank (do not have an independent business license so it must be Operating in partnerships with banking to provide banking services, one example of the front end focused neobank that has been operating in Indonesia is a genius).

Considering this, Bank Jatim's strategic policies and steps are directed at increasing business growth after the recovery of Pandemic Covid-19, improvement and optimization of the field of information technology that focuses on the following internal excellence:

1. Infrastructure for digital banking technology is sufficient in competing with the current financial industry, which is increasingly advanced.
2. Collaboration with various stakeholders such as marketplaces, fintech, and other related parties in the context of business development.
3. The coverage of the network of the Bank Jatim office that reaches to the islands in East Java, as well as large city areas such as Jakarta and Batam.
4. A relatively high level of bank capital.
5. Good relations and synergy with shareholders, especially the provincial and district/city governments.

By utilizing the internal excellence owned, Bank Jatim is optimistic that it has good prospects in the future. The opportunities for Bank Jatim in 2023 are as follows:

1. Changes in patterns of community behavior due to technological disruption, especially in the use of banking technology.
2. Millennial age population and generation Z who incidentally are active users of the internet and e-commerce as well as the potential of the economic and digital finances are increasingly dominating.
3. Synergy and Collaboration with various parties both the government and the financial/non-financial industry.
4. There is still a large potential for the market share of Bank Jatim, such as State Civil Apparatus (ASN) and MSMEs that are growing.
5. The existence of regional-based economic development programs in East Java Province.

The Bank always strives to improve the capabilities of all organs in carrying out their business activities. In the Bank's Business Plan for 2023, the Bank's policy direction and strategic steps continue to increase business growth, technological innovation and efficiency. Business development focus includes:

1. Making adjustments to loan growth and office network taking into account regional potential mapping variables.
2. Providing High Quality Service.
3. Development of business digitization and supporting and targeting performance above the BPD industry.
4. Improving the implementation of the performance management system (KPI effectiveness).
5. Development of ecosystem-based fintech/e-commerce and business alliances for Regional Governments, SOEs/ROEs and communities in the East Java region.
6. Transformation of organizational structure, human capital (human capital transformation) and digital banking.
7. Connectivity and Building Ecosystem
8. Improving Information Technology Security.
9. Management of allocation of Regional Government funds to be maintained.

In an effort to set targets for 2023 based on environmental scanning analysis which is aligned with the dynamics of the development of the banking industry after the recovery of the Covid-19 pandemic and in line with the vision of becoming the number 1 BPD in Indonesia by analyzing the ability of the Bank's competitiveness to grow and develop in the intensity of competition and dynamics growing economy.

Considering this, the Bank's policies and strategic steps are directed at business strategies and business support for 2023, as follows:

1. Becoming BPD rank 2 (Credit Achievement) in 2023.
2. Changing the business model from per loan scheme to segmentation based on a ceiling
 - a. Consumer Loans
 - b. Retail and Medium Micro Loans
 - c. Commercial and Corporate Loans
3. Increasing non-organic assets through corporate actions by investing in financial institutions with capital of less than IDR3 trillion.
4. Increasing fee-based income by adding Bank Jatim e-channel features
5. Maintain CASA Ratio at $\geq 61.51\%$, RPIM Ratio $\pm 42.66\%$.
6. Strengthening the process of monitoring and evaluating the settlement of problem loans, including evaluating the key performance indicators (KPI) of the work unit for settlement of problem loans.
7. Growing above the average growth of BPD SI assets.
8. Corporate Actions to invest in regionally owned financial institutions in Indonesia amounting to \pm IDR1.06 trillion.
9. Minimizing the gap with Bank Jateng and Bank DKI lending.
10. Minimizing the gap with Bank bjb's TPF collection.
11. Acceleration of the loan process and collaboration with the central and regional governments through Synergy with Nawa Bhakti Satya.
12. Optimizing loan expansion.
13. Treasury role optimization.

For the 2023 business support strategy, namely strengthening business resilience by focusing on:

1. Network repositioning especially in the Surabaya area and Class 1 Branches.
2. Changing in the organizational structure adapted to the development of the business.
3. Strengthening the process of monitoring and evaluating the settlement of problem loans, including evaluating the key performance indicators (KPI) of the work unit for settlement of problem loans.
4. Evaluation of divisional performance to make it more effective and efficient.
5. Improving SLA.
6. Evaluation of the implementation of the new organizational structure.
7. Improving the quality of human resources through training activities.
8. Improving remuneration.
9. Evaluation and implementation of reward and punishment.
10. Improving the new employee recruitment system.
11. Strengthening the company's work culture through change agent training.
12. Establishing a work culture in KPI.
13. GCG improvement roadmap to rank 2.

Achievement of Targets and Future Targets

Achievement of Targets

In general, the achievement of the target of Bank Jatim in 2022 has shown good results. Description related to the comparison of financial targets and realization, capital structure, marketing and HR development is presented as follows.

Comparison of Financial Targets and Realization

The comparison of financial targets and realization of 2022 is as follows.

Comparison Table of Bank Business Plan and Financial Realization 2022

(in IDR million)

Description	Realization 2022	Target 2022	Achievement
1	2	3	4=2/3
FINANCIAL POSITION			
Assets	103,031,367	101,494,301	101.51%
Loan given	46,196,657	45,487,247	101.56%
Third parties fund	81,767,383	85,803,143	95.30%
Current account	23,634,774	27,173,520	86.98%
Saving	26,343,816	25,682,027	102.58%
Time deposit	31,788,793	32,947,596	96.48%
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Interest Income	6,882,651	6,452,945	106.66%
Other operational income	533,569	682,817	78.14%
Current year profit	1,542,824	1,530,884	100.78%
FINANCIAL RATIO (%)			
Capital Adequacy Ratio (CAR)	24.74	24.46	101.14%
Non Performing Loan (NPL) Gross	2.83	3.95	71.65%
Return on Assets (ROA)	1.95	1.90	102.63%
Return on Equity (ROE)	16.24	16.17	100.43%
Net Interest Margin (NIM)	5.11	5.14	99.42%
Operational Efficiency Ratio (BOPO)	76.15	73.70	103.32%
Loan to Deposit Ratio (LDR)	56.50	53.01	106.58%

Total assets succeeded in exceeding the target of 101.51% with realization in 2022 of IDR103,03 trillion, as well as the credit given reaching 101.56% with the realization in 2022 of IDR46,20 trillion. Third party funds in 2022 were realized at IDR81,77 trillion with the achievement of 95.30%, slightly below the target. Nevertheless when viewed from the side of the savings successfully exceeding the target of 102.58% with realization in 2022 of IDR26,34 trillion.

In terms of income, the achievement of interest income is also above the target set at 106.66% with realization in 2022 of IDR6,88 trillion. However, other operating income in 2022 was realized at IDR553,57 billion was below the target which reached 78.14%. Nevertheless, the current year's profit exceeded the target set at 100.78% with a realization of IDR1,54 trillion in 2022.

The CAR ratio reached 101.14%, ROA and ROE also succeeded in exceeding the target of 102.63% and 100.43% respectively. By channeling credit that adheres to the prudence principle (prudential banking practices) as well as strengthening the strengthening of risk management and implementing the NPL decrease strategy in 2022. NPL Gross Bank Jatim can be maintained at the level of 2.83% or lower than the target of 3.95%.

In the future, Bank Jatim will always carry out the strategies that have been set, and are committed to being able to play an active role in the BPD transformation program that has high endurance and competitiveness while continuing to act as agent of development in the region through inclusive and sustainable growth.

Comparison of Targets and Realization of Capital Structure

Capital like East Java has enough endurance in the Covid-19 pandemic period that has subsided, this was marked by the achievement of a total core capital target and complementary capital reached 105.84% with realization in 2022 of IDR10,78 trillion.

In order to maintain and strengthen capital, bank capital management strategies carried out in 2022 include:

- Additional bank capital through bank profits
- Increased capital through general reserves from profits that are not divided.
- Additional capital through assets revaluation
- RWA optimization

Comparison Table of Target and Realization of Capital Structure 2022

(in IDR million)

Description	Realization 2022	Target 2022	Achievement
1	2	3	4=2/3
Main core capital (CET 1)	10,346,392	9,781,379	105.78%
Complementary (Tier 2)	437,563	407,375	107.41%
Total core capital and complementary capital	10,783,955	10,188,754	105.84%

Comparison of Targets and Marketing Realization

Description Comparison of targets and marketing realization is presented as follows.

Table of Target Comparison and Marketing Realization in 2022

Description Target	Realization in 2022
Kejar (one student, one account)	Has been opened an account at the school and one student account.
Cooperation with hospitals, schools/universities and boarding schools in East Java.	Has been collaborated with hospitals, schools/universities and Islamic boarding schools in East Java
The implementation of cooperation with BPJS Employment and BPJS Health	Has been carried out in collaboration with BPJS Employment and BPJS Health in payment of BPJS premiums and funding in Bank Jatim..
The Suka-Suka Cycle, Member Get Member and Months Financial Inclusion (BIK)	Has been held promos of opening the accounts of the Suka-Suka cycle, members get members and cashback prizes for top balances and opening new accounts.
Simpeda lottery and cycle	Have been made by Simpeda and Cycle lottery

Comparison of Targets and Realization of HR Development

Realization of the education and training budget in 2022 experienced a significant increase, which increased by 56.72% from IDR23,07 billion in 2021 to IDR36,16 billion in 2022.

The increase was also reflected in the absorption of the budget which reached 99.08% in 2022. This was encouraged by increasing the implementation of educational and training activities that were held online and offline after the application of New Normal and the Large Social Restrictions (PSBB).

Table of Comparison of the Target and Realization of Human Resources Development in 2022

(in full IDR)

Description	Realization 2022	Target 2022	Achievement
1	2	3	4=2/3
Education and Training Costs (Training)	36,162,426,788	36,500,000,000	99.08%

Future Target (Projection)

Bank Jatim management has prepared a bank business plan for 2023 by considering current economic conditions and economic projections in 2023, both in terms of macro and micro.

Table of Assumptions in Preparing Projections

(in IDR million)

Indicator	RAPBN 2023	APBN 2023
Economic Growth (%)	5.3	5.3
Inflation rates (%)	3.3	3.6
Exchange rates (Rp/USD)	14,750	14,800
SUN interest rates – 10 Years (%)	7.9	7.9
Indonesian crude oil prices (USD/barrel)	90	90
Lifting of petroleum (thousand barrel/day)	660	660
Natural gas lifting (thousand barrel/day)	1,050	1,100

Source: Ministry of Finance

Financial Projection

Financial projection descriptions in 2023 are presented as follows:

Table of Financial Projection in 2023

(in IDR million)

Description	Projection 2023
1	2
FINANCIAL POSITION	
Assets	110,827,241
Loan given	54,738,950
Third parties fund	94,406,633
Current account	27,606,817
Saving	30,460,998
Time deposit	36,338,818
Loans received	357,519
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	
Interest Income	6,964,602
Other operational income	794,858
Current year profit	1,648,909
FINANCIAL RATIO (%)	
Capital Adequacy Ratio (CAR)	21.50%
Non Performing Loan (NPL) Gross	2.75%
Return on Assets (ROA)	2.14%
Return on Equity (ROE)	16.63%
Net Interest Margin (NIM)	5.49%
Operational Efficiency Ratio (BOPO)	76.35%
Loan to Deposit Ratio (LDR)	57.98%

Capital Structure Projection

Description of the projection of capital structure in 2023 is presented as follows:

Table of Capital Structure Projection in 2023

(in IDR million)

Description	Projection 2023
1	2
Main core capital (CET 1)	10,124,996
Complementary (Tier 2)	510,322
Total core capital and complementary capital	10,635,318

Dividend Policy Projection

Description Projection of Dividend Policy for Fiscal Year 2022 which will be distributed in 2023 is presented as follows:

Table of Dividend Policy Projection

(in IDR million)

Description	Projection
1	2
Net Profit Year 2022	1,542,824
Estimated number of dividends divided	797,170
Dividend Estimation obtained by the East Java Provincial Government	407,500
Dividend Payout Ratio (DPR)	51.67%

* **Note:**
For the estimated dividend distribution of the 2022 fiscal year which was opened in 2023, after obtaining approval from the East Java Provincial Government as Controlling Shareholder (PSP).

Marketing Projection

In 2023 the bank prepared the following marketing projects:

1. Cooperation of Custodian Services with Bank Jatim Pension Fund Foundation.
2. Cooperation of Custodian Services with the Pension Fund Foundation in the East Java area.
3. Cooperation of custodian services with BUMD companies and private companies in the East Java region.
4. Marketing custodian services to fellow BPD banks with more competitive storage costs.
5. Cooperation with the Department of Industry and Trade of East Java Province and Regency/City Disperindag in 5 (five) Bakorwil.
6. Cooperation with the Import Export Association with the Association of Indonesian Export Entrepreneurs (GPEI) and the Association of Indonesian National Importers (GPEI).
7. Promotional programs for foreign exchange, foreign exchange savings, foreign exchange deposits and remittances.
8. Promo Event Program (East Java Priority Community, Anniversary).
9. Siklus Suka-Suka, Suka-suka exclusive.
10. Promo Giro Plus.
11. Kejar (one student one account).
12. Simpeda lottery program and Siklus lottery.

HR Development Projection

HR development strategy is a planning about how the quality of HR is able to develop in a better direction and increase its work ability. HR development strategies can run well if accompanied by a planned HR development program that is carefully planned. So that it is expected to be able to help the achievement of goals in producing quality human resources. One of the HR development programs is to hold training programs to employees.

Bank Jatim will develop quality human resources in 2023 through educational and training programs. There are several types of HR training that can be done, including training skills, retraining or re-training, team training, creativity training and others. In 2023 Projection of HR development for all 3,399 employees.



Table of HR Development Projection

(in People)

Description	Projection 2023
1	2
Training for organic employees	3,399

Policy, Announcement and Payment of Dividend

Dividend Policy

There are no restrictions (negative covenants) that are detrimental to shareholders in connection with restrictions on third parties in the context of dividend distribution. The new shareholders who come from this Public Offering will receive 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 is related to the Company's profits in the relevant financial year,

without neglecting the level of Company 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 are other fundamental reasons, the management plans to pay cash dividends of at least 40% of net profit each year.

Announcement and Payment of Dividend

Based on the AGMS decision, PT Bank Pembangunan Daerah Jawa Timur Tbk carried out the announcement and payment of dividends as shown in the following table.

Table of Announcements and Dividend Payment

Description	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017
Net Profit (IDR)	1,523,069,838,418	1,488,961,630,120	1,376,505,140,913	1,260,308,411,500	1,159,369,505,449
Cash Dividend (IDR)	782,457,605,053.02	733,507,081,305.70	723,747,007,552.40	683,865,985,709.02	660,384,829,276.20
Non-cash Dividend ^{*)}	-	-	-	-	-
Number of shares	15,015,498,082	15,015,498,082	15,015,498,082	14,978,134,982	14,974,591,382
Cash Dividend per Share (Rp)	52,11	48,85	48,20	45,61	44,10
Non-cash Dividend per Share ^{*)}	-	-	-	-	-
Dividend Payout Ratio (%)	51.37%	49.26%	52.58%	54.26%	56.96%
Announcement dates cash dividend	21 March 2022	5 May 2021	28 April 2020	30 April 2019	22 February 2018
Payment dates cash dividend	14 April 2022	28 May 2021	20 May 2020	29 May 2019	23 March 2018

^{*)} Bank Jatim does not have Non-Cash Dividends

Announcement and Payment of Dividend Fiscal Year 2021

On March 17 2022, Bank Jatim held an AGMS which approved and determined the use of Bank Jatim's net profit for the Fiscal Year ending on December 31, 2021 in the amount of IDR1,523,069,838,418.00 as follows:

1. A total of IDR782,457,605,053.02 or 51.37% of the net profit of Bank Jatim Fiscal Year 2021 is distributed as cash dividends to shareholders who are registered in the Company's Register of Shareholders as of March 21, 2022 which will be paid on April 14, 2022.
2. A total of IDR740,612,233,364.98, a total of 48.63% of the net profit of Bank Jatim Fiscal Year 2021 is designated as General Reserves..

Announcement and Payment of Dividend Fiscal Year 2020

On May 3, 2021 Bank Jatim held an AGMS which approved and determined the use of Bank Jatim's net profit for the Fiscal Year ending December 31, 2020 in the amount of IDR1,488,961,630,120.00 as follows:

1. A total of IDR733,507,081,305.70 or 49.26% of the net profit of Bank Jatim Fiscal Year 2020 is distributed as cash dividends to shareholders who are registered in the Company's Register of Shareholders as of 18 May 2021 which will be paid on 28 May 2021.
2. A total of IDR755,454,548,814.30, a total of 50.74% of the net profit of Bank Jatim Fiscal Year 2020 is designated as General Reserves.

Realization of the use of Public Offering Funds

During 2022, Bank Jatim did not make a public offering of shares or bonds to the public through the capital market so that Bank Jatim has no obligation to submit a report on the realization of the use of proceeds from the public offering.

Material Information Regarding Investment, Expansion, Divestment, Business Merger/Consolidation, Acquisition, Debt/Capital Restructuring

Throughout 2022, Bank Jatim will not carry out investment, expansion, divestment, business mergers/consolidations, acquisitions and debt/capital restructuring.

Information on Material Transactions that Contain Conflict of Interest and/or Transactions With Affiliated Parties

Material Transactions are any transactions carried out by a public company or a controlled company that meets a transaction value limit equal to 20% (twenty percent) or more of the Public Company's equity (Financial Services Authority Regulation Number 17/POJK.04/2020 Concerning Material Transactions and Changes in Business Activities).

Conflict of Interest Transactions

In accordance with the provisions of the Financial Services Authority Regulation Number 42/POJK.04/2020 Concerning Affiliated Transactions and Conflicts of Interest Transactions, a conflict of interest is the difference between the economic interests of a public company and the personal economic interests of members of the board of directors, members of the board of commissioners, major shareholders or controlling controllers who can be detrimental to the said public company.

One of the efforts to avoid conflicts of interest is that all parties, both employees and company leaders, must comply with the established code of ethics and avoid activities that can cause conflicts of interest.

During 2022 there were no transactions that met the conflict of interest transaction category.

Affiliated Transactions

Based on the provisions of the Financial Services Authority Regulation Number 42/POJK.04/2020 Concerning Affiliated Transactions and Transactions with Conflicts of Interest, Affiliates are:

- Family relations by marriage and descent to the second degree, both horizontally and vertically;
- The relationship between the party and the employee, director or commissioner of the party;
- Relationship between 2 (two) companies where there is 1 (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 transactions are any activities and/or transactions carried out by public companies or controlled companies with Affiliates of public companies or Affiliates of Members of the Board of Directors, Members of the Board of Commissioners, Major Shareholders, or Controllers, including any activities and/or transactions carried out by Public Company or Controlled Company for the benefit of Affiliates of Public Companies or Affiliates of members of the Board of Directors, Members of the Board of Commissioners, Major Shareholders, or Controllers.

Transactions with affiliated parties have potential risks, namely the risk of misuse by parties that may harm the Bank. Therefore, Bank Affiliated Parties are prohibited from using the Bank for personal, family and/or other party interests that can harm or reduce the Bank's profits.

During 2022 there were no transactions that met the category of affiliated party transactions.

Related Parties Transactions

Name of the Transacting Parties and Nature of Relationship

Description of the name of the transacting party and the nature of the relationship is presented as follows:

Table of Names of Parties and Nature of Related Transactions

Related Parties	Relationship	Sifat dari Transaksi
Government of East Java Province	Share Holder	Fund Placement
Government of Surabaya City	Share Holder	Fund Placement



Related Parties	Relationship	Sifat dari Transaksi
Government of Malang Regency	Share Holder	Fund Placement
Government of Jember Regency	Share Holder	Fund Placement
Government of Pasuruan City	Share Holder	Fund Placement
Government of Banyuwangi Regency	Share Holder	Fund Placement
Government of Probolinggo Regency	Share Holder	Fund Placement
Government of Bondowoso Regency	Share Holder	Fund Placement
Government of Sidoarjo Regency	Share Holder	Fund Placement
Government of Tuban Regency	Share Holder	Fund Placement
Government of Situbondo Regency	Share Holder	Fund Placement
Government of Kediri Regency	Share Holder	Fund Placement
Government of Lumajang Regency	Share Holder	Fund Placement
Government of Lamongan Regency	Share Holder	Fund Placement
Government of Nganjuk Regency	Share Holder	Fund Placement
Government of Mojokerto Regency	Share Holder	Fund Placement
Government of Sampang Regency	Share Holder	Fund Placement
Government of Malang City	Share Holder	Fund Placement
Government of Pasuruan Regency	Share Holder	Fund Placement
Government of Bangkalan Regency	Share Holder	Fund Placement
Government of Gresik Regency	Share Holder	Fund Placement
Government of Mojokerto City	Share Holder	Fund Placement
Government of Pacitan Regency	Share Holder	Fund Placement
Government of Batu City	Share Holder	Fund Placement
Government of Ngawi Regency	Share Holder	Fund Placement
Government of Jombang Regency	Share Holder	Fund Placement
Government of Madiun Regency	Share Holder	Fund Placement
Government of Pamecashan Regency	Share Holder	Fund Placement
Government of Tulungagung Regency	Share Holder	Fund Placement
Government of Blitar Regency	Share Holder	Fund Placement
Government of Ponorogo Regency	Share Holder	Fund Placement
Government of Trenggalek Regency	Share Holder	Fund Placement
Government of Magetan Regency	Share Holder	Fund Placement
Government of Bojonegoro Regency	Share Holder	Fund Placement
Government of Probolinggo City	Share Holder	Fund Placement
Government of Blitar City	Share Holder	Fund Placement
Government of Madiun City	Share Holder	Fund Placement
Government of Kediri City	Share Holder	Fund Placement
Government of Sumenep Regency	Share Holder	Fund Placement
Government of Bojonegoro Regency	Share Holder	Loans
Government of Lamongan Regency	Share Holder	Loans
Government of Malang Regency	Share Holder	Loans
PT Bank Perkreditan Rakyat Jawa Timur	Owned by the same final Share Holder.	Loans Fund Placement
Board of Commissioners, Directors and executive officers	Key employees	Customer Savings Expenses labor

Fairness and Reasons for the Transaction

In regular 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 under mutually agreed policies and terms and comply with the fair and at arms' length principle. Related party transactions occur because of the business needs of Bank Jatim.

Realization of Related Party Transactions

Balances of earning assets, deposits, borrowings and commitments, and contingencies from parties related are as follows:

Table of Realization of Related Party Transactions

(in IDR million)

Description	2022	2021
ASSETS		
Loans and sharia financing (Note 12)		
Loans to key managements	104,192	112,529
PT BPR Jawa Timur	24,851	29,851
RSUD Dr. Soedono Madiun	-	34,840
Others	5,828	5,669
Total	134,871	182,889
Percentage to total assets	0.13%	0.18%
DEPOSITS FROM CUSTOMERS (NOTE 18)		
Percentage to total liabilities	15,295,405	17,722,756
Deposits from other banks (Note 19)	17.05%	19.73%
PT BPR Jawa Timur		
Total	141,996	360,169
Percentage to total liabilities	141,996	360,169
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	0.16%	0.40%
INTEREST INCOME (NOTE 30)		
Percentage to total	8,052	11,940
Interest and sharia income	0.12%	0.18%
Interest and sharia expenses	471,882	143,778
Percentage to total interest and sharia expenses	24.01%	7.27%
COMMITMENTS AND CONTINGENCIES		
There were no commitments and contingencies involving related parties as of December 31, 2022 and 2021		
COMPENSATION OF KEY MANAGEMENT PERSONNEL		
The compensation of key management personnel of the Bank (excluding Commissioners and Directors)		
Salary	22,995	20,820
Production bonus	12,053	11,492
Allowance	10,520	10,401
Total	45,569	42,713

Review Mechanism Policy on Transactions and Compliance With Related Regulations and Provisions

Transactions with related parties that are material or significant must first be reviewed by the Risk Monitoring Committee and obtain approval from the Board of Commissioners. All transactions have gone through a review mechanism according to the type of transaction and a feasibility analysis of the transaction has been carried out. Throughout 2022 there were no violations of laws and regulations related to transactions with related parties.

Changes in Legal Regulations and its Impact on Banks

The changes to several laws and regulations throughout 2022 and their impact on Bank Jatim are described in the table as follows:

Table of Changes to Laws and Regulations in 2022

No	Legislation	Setting Tree	Adjustment Information Which is conducted
1	Regulation of Members of the Board of Governors Number 24/1/PADG/2022 concerning the Second Amendment to Regulation of Members of the Board of Governors Number 21/18/PADG/2019 concerning Implementation of the National Standard Quick Response Code for Payments	<ol style="list-style-type: none"> The nominal amount of a QRIS Transaction, which was previously set at IDR5,000,000 (five million IDR), has been adjusted to a maximum of IDR10,000,000 (ten million IDR) per transaction. Issuers can set daily and/or monthly cumulative nominal limits for QRIS Transactions conducted by each QRIS User by taking into account the Issuer's risk management and provisions of laws and regulations. 	The Bank adjusts the QRIS implementation in accordance with the applicable provisions set forth in the Bank's ALCO decision.
2	Financial Services Authority Regulation Number 1/POJK.03/2022 concerning Financial Services without Offices in the Context of Inclusive Finance	<ol style="list-style-type: none"> Bank products that can be provided by banks through the implementation of Laku Pandai consist of: <ol style="list-style-type: none"> Basic savings (Basic Saving Account / BSA); Credit or microfinance; And p other bank products based on OJK permits. In supporting the implementation of government programs, then: <ol style="list-style-type: none"> B for maximum BSA balances and transactions; B for BSA account ownership; and B for the maximum nominal credit or microfinance, can be excluded The requirements for Laku Pandai Organizing Banks are as follows: <ol style="list-style-type: none"> Has a risk profile rating, operational risk level, and compliance risk level with a rating of 1, 2, or 3, based on the last assessment period; And Having supporting infrastructure to provide electronic banking services. The cooperation between Laku Pandai Organizing Banks and Laku Pandai Agents is as follows: <ol style="list-style-type: none"> Requirements for individuals or legal entities to become Laku Pandai agents; Individual Laku Pandai agents cannot cooperate with more than 1 (one) Laku Pandai organizing bank whose business activities are similar outside the same bank business group. The scope of services of Laku Pandai agents is determined based on the classification of Laku Pandai agents, as follows: <ol style="list-style-type: none"> Laku Pandai agents with classification A provide transaction services related to BSA, and can provide services : <ol style="list-style-type: none"> Transactions related to electronic money products and digital financial services; and/or Transactions related to microinsurance products. Laku Pandai agents with classification B provide services as Laku Pandai agents with classification A, and can provide services: <ol style="list-style-type: none"> Transactions related to credit or microfinance; and/or Transactions related to savings other than BSA, except opening and closing accounts. Agents with classification C provide services as Laku Pandai agents with classification B, and can provide transaction services related to other financial products. Changes in the classification of Laku Pandai agents are carried out in accordance with bank policy. Transaction services related to financial products issued by other institutions, at Laku Pandai agents, are carried out based on a cooperation agreement. Cooperation agreements can be made between Laku Pandai agents and other institutions or between banks and other institutions. Service area coverage by Laku Pandai agents. Bank's obligation to cooperate with Laku Pandai Agents. The position of the Laku Pandai agent. Electronic devices to support Laku Pandai agent services. Application of Customer Due Diligence: <ol style="list-style-type: none"> Customer due diligence is carried out in accordance with POJK regarding the implementation of anti-money laundering and prevention of terrorism financing in the financial services sector. 	<p>Based on the issuance of these provisions, several things have been done related to the implementation of Laku Pandai, namely:</p> <ol style="list-style-type: none"> Adjustment of internal regulations governing the implementation of Laku Pandai; Changes in marketing strategy towards optimizing implementation of Laku Pandai agents; Optimizing and updating Laku Pandai services in accordance with developments in applicable regulations.

No	Legislation	Setting Tree	Adjustment Information Which is conducted
		<ul style="list-style-type: none"> b. The verification process for prospective customers using electronic devices by commercial banks is carried out in accordance with POJK regarding the implementation of digital banking services by commercial banks. c. Relaxation of the requirements for permits to operate digital banking services for verification using electronic devices within the framework of Laku Pandai. 	
		<ul style="list-style-type: none"> 6. Banks can use third parties to carry out certain jobs, but banks are still responsible for work carried out by third parties. 7. Implementation of Risk Management in the Use of Information Technology: <ul style="list-style-type: none"> a. Obligation to apply the principle of controlling the security of customer data and transactions. b. Obligation to apply at least 2 (two) factors of authenticity for transaction verification. 8. Banks are required to apply the principles of consumer protection in implementing Laku Pandai in accordance with the provisions of laws and regulations regarding consumer protection in the financial services sector. 9. Others Terms: <ul style="list-style-type: none"> a. OJK's authority to request information, explanations, and/or data from banks, including conducting inspections of Laku Pandai agents. b. OJK can order banks to stop working with Laku Pandai agents. 10. Transitional Terms: <ul style="list-style-type: none"> a. Banks that already have policies and procedures for implementing Laku Pandai must comply with the provisions in this Financial Services Authority Regulation no later than 3 (three) months after the enactment of this Financial Services Authority Regulation. b. The bank completes the documents for BSA customers who have become bank debtors. c. Adjustment of the classification of Laku Pandai agents 	
3	Submission of Regulation of the Members of the Board of Governors Number 24/8/PADG/2022 concerning Regulations for the Implementation of Minimum Statutory Reserves in IDR and Foreign Currency for Conventional Commercial Banks, Sharia Commercial Banks, and Sharia Business Units	<ul style="list-style-type: none"> 1. The minimum IDR reserve requirement for BUK, which is currently 6.0%, increases to 7.5% starting July 1, 2022 and 9.0% starting September 1, 2022. 2. The minimum IDR reserve requirement for BUS and UUS is currently 4.5%, increasing by 6.0% starting July 1, 2022 and 7.5% starting September 1, 2022. 3. GWM in foreign currency for BUK is set at a certain percentage of DPK BUK in foreign currency during a certain reporting period, which must be met daily by 2% (two percent) and on average by 2% (two percent). 4. Giving remuneration of 1.5% for fulfilling GWM obligations after taking into account incentives for banks in channeling credit/financing to priority sectors and MSMEs and/or meeting the Macroprudential Inclusive Financing Ratio (RPIM) target. 	Adjustments to the fulfillment of statutory reserves in accordance with applicable external regulations as a form of Bank compliance.
4	Regulation of Members of the Board of Governors Number 24/16/PADG/2022 concerning the Fourth Amendment to Regulation of Members of the Board of Governors Number 21/25/PADG/2019 concerning Loan to Value Ratios for Property Credit, Financing to Value Ratios for Property Financing, and Advances for Credit or Motorized Vehicle Financing (PADG Fourth Amendment LTV/FTV and Down Payment)	<ul style="list-style-type: none"> 1. Continuing the easing of provisions on LTV ratios for KP, FTV ratios for PP, and down payments for KKB or PKB, with limitations on LTV ratios for KP, FTV ratios for PP, and down payments for KKB or PKB as last stipulated in the Regulation of Members of the Board of Governors Number 23 /6/PADG/2021 concerning the Second Amendment to the Regulation of Members of the Board of Governors Number 21/25/PADG/2019 concerning Loan to Value Ratios for Property Loans, Financing to Value Ratios for Property Financing, and Advances for Motor Vehicle Loans or Financing. 2. The application period for the LTV Ratio limit for KP, FTV Ratio for PP, and Down Payment for KKB or PKB mentioned above is extended until December 31, 2023. 	<p>The Bank has reviewed and updated the internal regulations so that they are in line with the intended external provisions.</p> <p>Strategic policies and Achievement targets are also carried out taking into account these provisions so that the Bank's performance Achievement can be more optimal both in nominal terms and on the legal basis of its implementation.</p>
5	Regulation of the Financial Services Authority of the Republic of Indonesia Number 11/POJK.03/2022 Concerning the Implementation of Information Technology by Commercial Banks	<p>Some of the matters regulated in this POJK are as follows:</p> <ul style="list-style-type: none"> 1. Bank IT governance 2. Bank IT Architecture 3. Implementation of Bank IT Implementation Risk Management 4. Bank Cyber Security and Resilience 5. Use of IT Service Providers in Organizing Bank IT 6. Placement of IT-Based Electronic Systems and Transaction Processing 7. Data Management and Personal Data Protection in Bank IT Operations 8. Provision of IT Services by Banks 9. Internal Control and Audit in Implementation of Bank IT 	<p>The Bank has reviewed and updated the application of these provisions on all of the Bank's internal regulations related to Information Technology.</p> <p>Adjustments to the information technology strategic plan have also been carried out by the Bank in accordance with the instructions as stipulated in the provisions of the Financial Services Authority.</p>

No	Legislation	Setting Tree	Adjustment Information Which is conducted
		<p>10. Banks that already have policies, standards and procedures for implementing IT as well as guidelines for risk management for IT implementation must comply with the provisions in this Financial Services Authority Regulation no later than 6 (six) months since the enactment of this Financial Services Authority Regulation</p> <p>11. Banks that have used IT service providers prior to the enactment of this Financial Services Authority Regulation, must adjust the agreements that have been made in accordance with the provisions in this Financial Services Authority Regulation.</p> <p>12. Banks must adjust their IT strategic plans in accordance with the provisions in this Financial Services Authority Regulation no later than the end of November 2022.</p>	

Changes to the laws and regulations that have been described above have no significant quantitative impact on Bank Jatim Financial Report.

Changes in Accounting Policies

On January 1, 2022, there were new standards and adjustments or amendments to several standards that are still valid and effective from that date, namely as follows:

1. Amendments to PSAK 22, "Business Combinations regarding Reference to the Conceptual Framework". This amendment clarifies the interaction between PSAK 22, PSAK 57, ISAK 30 and the Conceptual Framework for Financial Reporting.
2. Amendments to PSAK 57, "Provisions, Contingent Liabilities, and Contingent Assets regarding Onerous Contracts - The Cost of Fulfilling the Contract". This amendment clarifies the costs of fulfilling a contract in relation to determining whether a contract is onerous.
3. 2020 Annual Adjustment - PSAK 71, "Financial Instruments - Benefits under "10 percent" test for derecognition of financial

liabilities". The amendments clarify the costs that are included in the entity when assessing whether the terms of the new or modified financial liabilities are substantially different from the terms of the original financial liabilities;

4. 2020 Annual Adjustment - PSAK 73, "Leases". This adjustment clarifies the measurement by the lessee and the recording of changes in the lease terms related to "repairs of rental properties.

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 in the current period or the previous year.

Bank Soundness Level

The soundness level of the Bank is assessed based on POJK. 4/ POJK.03/2016 concerning Assessment of the Soundness Level of Commercial Banks using a risk approach (risk-based bank rating). Assessment of the soundness level of the bank is carried out on the risk and performance of the bank which can be seen from the final rating of the assessment results.

Assessing the soundness level 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. Profitability (Earnings)
4. Capital

Table of Bank Jatim Soundness Level Position December 31 2021-2022 (self assessment)

Assessment Factor	Rating Per 31 December 2022	Rating Per 31 December 2021
Risk Profile	Rating 2	Rating 2
Good Corporate Governance (GCG)	Rating 3	Rating 3
Earnings	Rating 2	Rating 2
Capital	Rating 2	Rating 2
Composite Rating	Rating 2 (General Sound)	Rating 2 (General Sound)

Business Continuity Information

Items that Have the Potentially Significant Effect on Business Continuity

The condition of the Covid-19 pandemic which continues to be one of the factors affecting the dynamics of the global and national economy, also has an impact on the Bank's business performance, although in general it is not very 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 is reflected in the financial performance which is still experiencing positive growth throughout 2022.

Management Assessment of Matters that Have Significant Influence on Business Continuity

The Bank periodically evaluates matters relating to the continuity of the Bank's business in the future. This evaluation is reflected, among other things, through a composite score for the Bank's Health Level (TKB), which is classified as healthy, even during a pandemic. Based on the evaluation results, although there are several performance components that have not been optimally achieved, with the accommodative strategic policies pursued by

management, banks can mitigate risks that have a significant effect on financial performance throughout 2022.

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 sustain its business in the future. In addition, management is not aware of any material uncertainties that could cast significant doubt on the Bank's ability to maintain its business.

Assumptions Used in Management in Conducting the Assessment

Some of the assumptions that are considered by the Bank in conducting an assessment of the continuity of the Bank's business include the following:

1. The level of soundness of the Bank which includes an assessment of the risk profile, profitability/earnings performance, capital capitalization and the implementation of Good Corporate Governance (GCG).
2. Analysis of global, national and regional economic conditions.
3. Competitiveness analysis which includes the Strength, Weakness, Opportunities and Challenges (SWOC) matrix, Segmentation, Targeting and Positioning (STP) analysis, as well as analysis of the Bank's position in facing business competition.

Taxation Aspects

Publication of Tax Payment

Bank Jatim in its operational activities has carried out Good Corporate Governance which is carried out in a transparent and accountable manner, especially in managing its tax rights and obligations, the tax rights and obligations are carried out in accordance with applicable regulations.

Payment of Taxes

The total tax payments for the period January to December 2022 are presented as follows.

Table of Tax Payment

(in IDR full)

Tax Description	Year 2022
Income Tax Article 21	136,726
Income Tax Article 23	5,144
Income Tax Article 25/29 Agency	494,250
Income Tax Article 26	14,195
Income Tax Article 4 Paragraph 2 Final	142,884
Value Added Tax (VAT)	2,352
Stamp Duty Tax	7,082
Total	802,634

Non-Compliance in Tax Payment

In the 2022 period, there is no Bank Jatim non-compliance with the obligation to pay taxes (NOTHING).

Response to Changes in Monetary Policy Directions

The economic turmoil in 2022 was overshadowed by the issue of a recession that hit the whole world. The continuing war between Russia and Ukraine, disruption of global supply chains, high volatility in commodity prices, soaring inflation, and aggressive interest rate increases will still be a risk factor for the global economy next year. Marked by a sharp increase in inflation in a country, the risk of stagflation will be experienced by many countries, including developed countries such as the United States and Europe. These conditions have caused central banks such as the Federal Reserve (The FED) to raise their benchmark interest rates by 450 bps throughout 2022 as a measure to anticipate inflationary shocks. The increase in the benchmark interest rate was followed by almost all central banks around the world, including Indonesia.

Throughout 2022, Bank Indonesia (BI) has decided to no longer assume the role of a central bank with low interest rates. Seeing the relatively high growth rate of inflation prompted Bank Indonesia to tighten monetary policy by raising interest rates. Bank Indonesia carried out a fairly aggressive interest rate policy following the increase in the Federal Reserve's interest rate whereby an increase in the BI7DRRR of 200 bps was carried out by BI throughout 2022.

Even amidst the trend of high interest rates, increases in bank industry lending rates are still moving slowly. In fact, banking interest rates in Indonesia are quite competitive compared to those abroad. Mainly the increase in interest rates to control inflation and encourage an increase in yields on state securities. The goal is for foreign funds to return to the country so that the IDR continues to strengthen. So that BI ensures that liquidity in the banking system remains loose and ensures more than adequate liquidity for banks to extend credit without having to raise lending rates.

Seeing the inflation trend that occurred throughout 2022, it is projected that Bank Indonesia will not increase interest rates excessively in 2023. Bank Indonesia's focus in 2023 is to reduce the inflation rate so that it still requires an increase in interest rates. However, seeing that the projected economic growth will be lower than in 2022, Bank Indonesia will tend to be careful in raising interest rates.

The condition of banking liquidity during 2022 is considered to be quite ample. The composition of DPK is still adequate to

encourage credit or financing growth of 8.06% YoY. The impact of the Covid-19 pandemic still has an impact on credit expansion and financing, however, the government has also prepared policies and stimulus for banks and the wider community in the context of national economic recovery, some of which are stimulus credit interest rates, relaxation of credit installment payments, provision of direct cash assistance as well as incentives for certain aspects of banking so that they become part of the factors causing banking liquidity to be maintained. Other liquidity indicators in the form of LCR ratios, NSFR including GWM and PLM fulfillment are maintained at the optimal range and in accordance with the provisions set by the Regulator.

In line with the trend of Bank Indonesia's benchmark interest rate, Bank Jatim also responds to policies by adjusting deposit rates and loan interest rates which are decided at the ALCO Meeting selectively and taking into account Bank Jatim's 2022 performance targets and supported by optimizing increasing loan volume, maintaining the composition funds and Cost of Fund (CoF), increased revenue from fee-based income transactions and overhead cost efficiencies.

The decline in the Bank's IDR Credit Prime Rate will continue until Quarter III-2022, but it will start to increase at the beginning of Quarter IV-2022. As of December 2022, the Bank's prime lending rate is 6.11% for Corporate Loans, Retail Loans 7.17%, Micro Loans 12.14%, Consumer-KPR Loans 7.36% and Consumer-Non-KPR Loans at 9.06%. The Bank continues to optimize business performance by continuously improving and developing business along with policy adjustments that support improving the quality of business processes.

In 2023, the direction of Bank Indonesia's policy mix emphasizes that monetary policy will remain focused on maintaining stability (pro-stability) through adjusting the interest rate structure on the money market according to movements in the BI7DRR interest rate. Strengthening the stability of the IDR exchange rate as part of efforts to control inflation, especially imported inflation, through intervention in the foreign exchange market with spot transactions, Domestic Non Deliverable Forwards (DNDF), as well as buying/selling of Government Securities (SBN) in the secondary market.

Maximum Limit for Lending and Large Provision of Funds

Bank Jatim as a financial intermediary institution has guidance in running its business, one of which is related to the provision of funds to related parties. Bank Jatim in providing funds to related parties is subject to the Regulation of the Financial Services Authority of the Republic of Indonesia Number 32/POJK.03/2018 concerning Legal Lending Limits (BMPK) and Provision of Large Funds for Commercial Banks. Maximum Credit Lending Limit, hereinafter abbreviated as BMPK, is the maximum percentage of provision of funds determined against the Bank's capital for

providing funds to related parties as well as for the Bank's core capital (tier 1) for providing funds to other than related parties.

Provision of Funds to Related Parties

As for the portion of Portfolio Provision of Funds to Parties Related to Banks as a whole according to OJK regulations, it is set at a maximum of 10% (ten percent) of Bank Capital where what is meant by related parties are:

1. Individuals or companies that control the Bank;
2. Legal entity in the event that the Bank acts as a controller;
3. Companies in the event that individuals or companies as referred to in letter a act as controllers;
4. Members of the Board of Directors, members of the Board of Commissioners, and Bank Executive Officers;
5. Parties who have family relations horizontally or vertically:
 - a. From individuals who are 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 in the company referred to in point 1, point 2, and/or point 3;
7. Companies whose members of the Board of Directors and/or members of the Board of Commissioners are members of the Board of Commissioners at the Bank;
8. Companies where 50% (fifty percent) or more members of the board of directors and/or members of the board of commissioners are directors and/or commissioners of the company as referred to in point 1, point 2 and point 3;
9. Companies that:
 - a. Members of the Board of Directors, members of the Board of Commissioners, and/or Bank Executive Officers as referred to in letter d act as controllers; And
 - b. Members of the Board of Directors and/or members of the Board of Commissioners from the parties referred to in point 1, point 2, and/or point 3 act as controllers;
10. Investment Collective Contract where the Bank and/or the parties referred to in letter a to letter l own 10% (ten percent) or more shares in the Investment Collective contract Investment manager;
11. Companies that have financial relationships with Banks and/or parties referred to in points 1 to point 10;
12. Borrowers are individuals or non-bank companies that have financial relationships by providing guarantees to the parties referred to in points 1 through 11;
13. Borrowers who have a financial relationship through guarantees provided by the parties referred to in points 1 to point 11;
14. Other banks that have financial relations through the provision of guarantees to the parties referred to in points 1 to 11 in the event that there is a counter guarantee from the Bank and/or the parties referred to in points 1 to 11 to the other Bank ; And
15. Other companies in which there is an interest in the form of share ownership of 10% (ten percent) or more independently or jointly, from the parties referred to in point 5.

In accordance with the description of the related parties above, from this the granting of credit to the Directors and Commissioners is also included in the provision of Related Parties where the granting of credit to the Directors and Commissioners must obtain approval from the Board of Commissioners. Funding for Related Parties has been regulated by the Financial Services Authority (OJK) and the Company's provisions, namely the Bank Jatim Minimum Credit Limit Policy. The provisions and procedures for extending credit to the Board of Directors and Board of Commissioners apply

the same as extending credit to prospective debtors of Bank Jatim in general and are given at arm's length basis and at market rates while taking into account the precautionary principle. Apart from that, there are also provisions regarding other regulated parties, namely:

1. Banks are prohibited from providing Provision of Funds to Related Parties that are contrary to the general procedures for Provision of Funds.
2. Banks are prohibited from providing Provision of Funds to Related Parties without the approval of the Bank's Board of Commissioners.
3. Banks are prohibited from buying low quality assets from Related Parties.
4. In the event that the quality of Provision of Funds to Related Parties declines to become substandard, doubtful or non-performing, the Bank is required to take steps to correct it by:
 - a. Repayment of Credit no later than 60 (sixty) days after the decline in the quality of Provision of Funds; and/or
 - b. Conducting Credit restructuring since the decline in the quality of Provision of Funds.
5. In the event that the Bank provides Provision of Funds in the form of Equity Participation which results in the party where the Bank does it n Equity Participation as a Related Party, the Bank is required to ensure:
 - a. The Plan for Provision of Funds is set at a maximum of 10% (ten percent) of Bank Capital;
 - b. Provision of Funds that will be and has been given to parties where the Bank makes Equity Participation after being added to the entire portfolio of Provision of Funds to related parties is set at a maximum of 10% (ten percent) of Bank Capital; And
 - c. Meet the conditions 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 Related Parties or 1 (one Group of Borrowers other than Related Parties.
2. Banks are required to determine the classification of Borrowers in a Borrower group in the event that the Borrower has a controlling relationship with other Borrowers through ownership, management and/or financial relationships,
3. Ownership, management and/or financial relationships as referred to in paragraph (1) include the following criteria:
 - a. The Borrower is the controller of other Borrowers;
 - b. 1 (one) party that is the controller of several Borrowers;
 - c. 50% (fifty percent) members of the Board of Directors and/or members of the Borrower's Board of Commissioners become members of the Board of Directors and/or members of the Board of Commissioners at other Borrowers;
 - d. The Borrower has financial relationships with other Borrowers; and/or
 - e. The Borrower has 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 another Borrower fails to fulfill obligations to the Bank.

4. Borrower group classification does not apply to:
 - a. Provision of Funds Facilities provided by Banks to debtors in general Bank business activities; And
 - b. Providing guarantees by insurance companies, guarantee companies, the Government of the Republic of Indonesia, and/or governments of other countries.
 - c. Provision of credit to debtors through companies using the forwarding method;
 - d. Provision of credit with a nucleus-plasma partnership scheme with a core company scheme guaranteeing credit to plasma;
 - e. Provincial Government and Regency/City Government as well as between each Regency/City Government.

Provision of Funds that are taken into account in the calculation of LLL and Provision of Large Funds are all Provisions of Funds in the position of the banking book and trading book. The carrying value used in the calculation of Provision of Funds is the carrying value of the asset plus unearned interest bills if any before deducting the allowance for impairment losses on assets according to accounting standards. The provision of funds is the investment of Bank funds in the form of:

- a. Placement;
- b. Derivatives transactions;
- c. Securities;
- d. Securities sold under agreement to repurchase (repo);
- b. Claims on securities purchased with agreements to resell (reverse repo);
- c. Acceptance bills;
- d. Credit;
- e. Equity capital;
- f. Temporary equity participation;
- g. Administrative account transactions; And
- h. Other forms of provision of funds that can be equated with letters a through j.

Provision of Bank Funds to SOEs for development purposes is set at a maximum of 30% (thirty percent) of Bank Capital.

Credit Risk Mitigation Techniques

Bank Jatim is required to apply the MRK Technique (Credit Risk Mitigation) which meets certain requirements in calculating LLL in the event that Bank Jatim recognizes the existence of collateral,

guarantees, guarantees, or credit insurance as an MRK technique in calculating weighted assets according to standard approach credit risk. The application of the MRK Technique referred to applies in the event that the Borrower and Guarantor or collateral issuer are other than Related Parties.

Certain Level Treatment

Sometimes the BMPK calculation can be done, including:

1. Provision of Funds to the Central Government;
2. Placements with Bank Indonesia; And
3. Purchase of Securities issued by the Government of the Republic of Indonesia and/or Bank Indonesia;
4. Provision of Funds that obtain guarantees from the Government of the Republic of Indonesia;
5. Provision of export-oriented funds to financial institutions that meet certain requirements;
6. Provision of Funds that obtain guarantees from financial institutions that meet certain requirements;
7. Provision of Funds that are guaranteed by certain collateral and meet certain conditions;
8. The Provision of Funds section for Borrowers who obtain guarantees from Prime Bank as long as the guarantee provided meets the requirements;
9. Provision of Funds that have become a capital reduction factor as referred to in the Financial Services Authority Regulation which regulates the obligation to fulfill the minimum capital.

Legal Lending Limit (LLL) Exceed

Provision of Funds by Banks is categorized as Exceeding the LLL caused by:

1. Decrease in Capital or Core Capital (tier 1) of the Bank;
2. Changes in exchange rates;
3. Changes in fair value;
4. Business merger, change in ownership structure and/or change in management structure causing changes in Related Parties and/or group P borrow; and/or
5. Changes to provisions for Determining Borrowers in calculating the BMPK Excess are made in accordance with provisions for calculating Provision of Funds and are calculated based on the value recorded on the date of the report.

Table of Total Provision of Related Party Funds in 2022

No	Provision of Funds	Amount	
		Number of Account (NoA)	Nominal (in IDR millions)
1	To Related Parties	155	107,944
2	To 50 Core Debtors		
	Individual	0	0
	Group	50	6,771,487
	Total Core Debtors	50	6,771,487

Table of Total Provision of Bank Funds to Related Parties in 2022

Description	Amount (in IDR million)
Capital on Report Date	10,610,256
LLL (10% of Capital) on Report Date	0
<i>Outstanding Related Parties</i>	107,944
BMPK leniency	0
Exceeding the BMPK	0

Spot and Derivative Transactions

Derivative receivables are classified as financial assets in the group at fair value through profit or loss, while derivative liabilities are classified as financial liabilities in the group at fair value through profit or loss. Derivative instruments (including foreign exchange transactions for funding and trading purposes) are presented at fair value which is determined based on market prices using the

Reuters exchange rate at the reporting date or the discounted cash flow method and are recorded in the consolidated statement of financial position. Derivative receivables are stated at the amount of unrealized gains from derivative contracts, net of allowance for impairment losses. Derivative liabilities are presented at the amount of unrealized losses from derivative contracts.

Table of Spot and Derivative Transaction Report

No	Transaksi	BANK									
		2022					2021				
		Notional Value	Purpose		Derivative Receivables and Liabilities		Notional Value	Purpose		Derivative Receivables and Liabilities	
			Trading	Hedging	Bill	Trading		Trading	Hedging	Bill	Trading
A. ASSOCIAT D WITH EXCHANGE RATES											
1.	Spot	-	-	-	-	-	-	-	-	-	-
2.	Forward	-	-	-	-	-	-	-	-	-	-
3.	Option	-	-	-	-	-	-	-	-	-	-
	a. Sell						-	-	-	-	-
	b. Buy	-	-	-	-	-	-	-	-	-	-
4.	Future	-	-	-	-	-	-	-	-	-	-
5.	Swap	-	-	-	361,029,411.80	-	-	-	-	-	-
6.	Others	-	-	-		-	-	-	-	-	-
B. RELATED TO INTEREST RATES											
1.	Forward	-	-	-	-	-	-	-	-	-	-
2.	Option	-	-	-	-	-	-	-	-	-	-
	a. Sell						-	-	-	-	-
	b. Buy	-	-	-	-	-	-	-	-	-	-
3.	Future	-	-	-	-	-	-	-	-	-	-
4.	Swap	-	-	-	-	-	-	-	-	-	-
5.	Others	-	-	-	-	-	-	-	-	-	-
C. OTHERS											
	Total	-	-	-	361,029,411.80	-	-	-	-	-	-

Human Capital







Human Capital

Management Strategy



The strategic initiatives that will be developed by the Human Capital Division of Bank Jatim as a strategy in 2022 are:

1. Designing a Learning Center to improve the quality of human resources.
2. Develop human capital technology facilities and infrastructure such as developing e-Human Capital to provide fast service to every employee as well as digital learning media that can be accessed by employees.
3. Preparing an assessment center as one of the company's tools to measure the competence and profile of employees.
4. Provide training (public training and in-house training) for continuous competency improvement in the areas of digitization, credit, funding, foreign exchange transactions or other activities/services according to employee needs. The training catalog and work plans that have been set by Bank Jatim, their implementation is still taking into account the conditions of the COVID-19 pandemic according to the direction of the government and authorities.

In order for a business to grow and compete in the Digital Banking 4.0 industry, both on a regional, national and international scale, it needs to be supported by human resources that are reliable and have the competencies set by the Bank in order to win the competition in the Digital Banking 4.0 era. Management is committed to the development of the organizational structure, job descriptions and objective performance assessments and evaluates employee promotion policies so as to enhance the Bank's competitive ability. Management continues to maintain its commitment to treating all employees as valuable assets by carefully planning employee needs in line with business growth.

Human Capital Management

Strategy Policy and Implementation

Recruitment

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.

In 2022, Bank Jatim recruited new employees selectively with the principle of Recruit Right to find prospective employees who had the potential and achievements to be placed in the right work unit at the Bank. In general, Bank Jatim recruited 232 new employees consisting of 86 Credit Analysts, 101 Credit Admin and Business Legal personnel, 23 Credit Rescue and Settlement personnel, 13 Information Technology (IT) personnel, 1 (one) Credit Property Officer, 2 (two) Marketing Executives and 6 (six) Tax Administration staff. Recruitment was only carried out in critical positions that could encourage increased business from recruited experts. Recruitment was carried out selectively with various stages of multiskill screening so that the results of the recruitment could make the Bank's business more resilient and able to achieve a more brilliant 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:

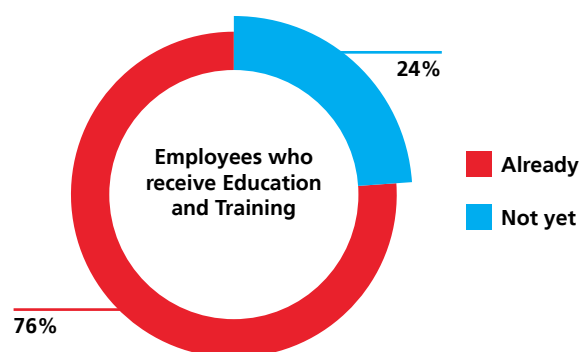
- Bank Jatim was able to recruit new employees based on the results of WLA data and development of HR competencies;

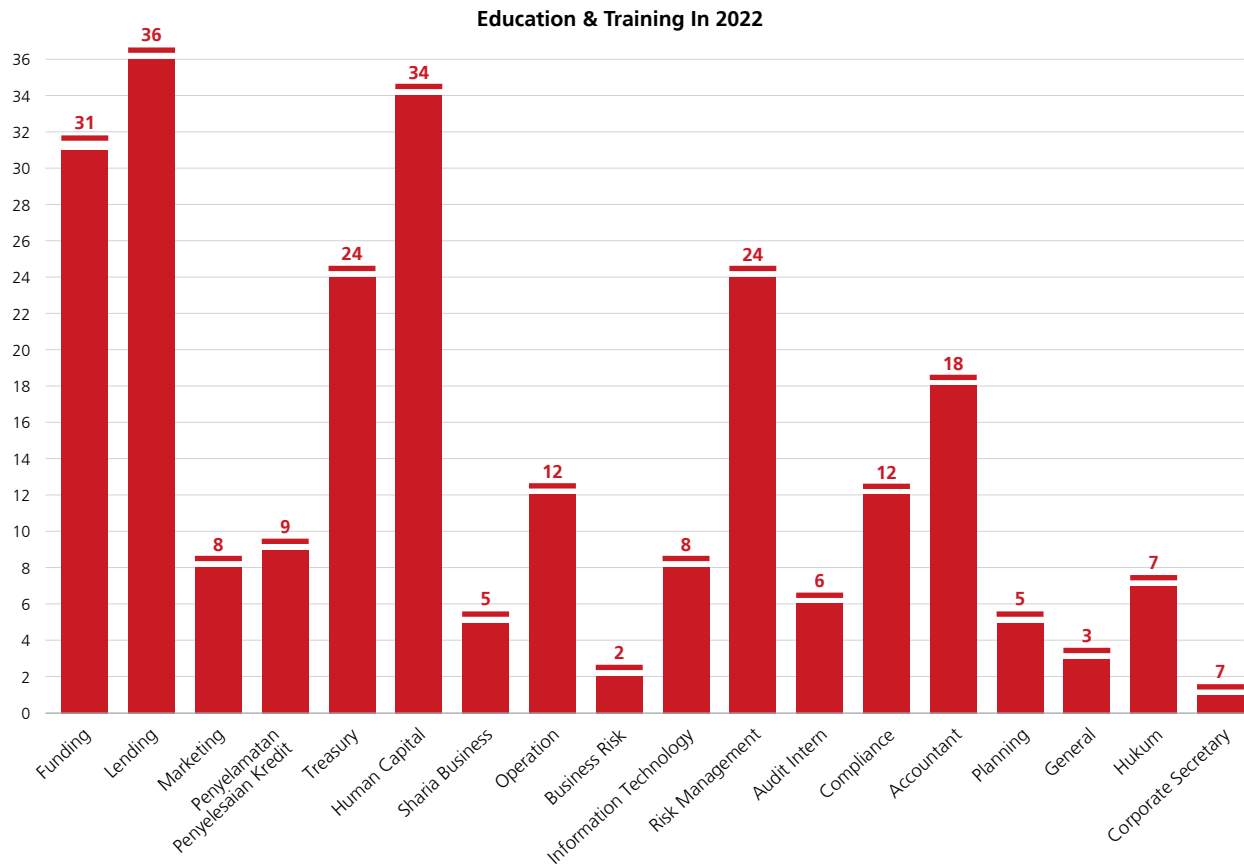
- Human Capital Division could analyze the workload of each position in the existing unit and optimize the performance of available employees;
- The Human Capital Division assessed the needs of employees according to the expected criteria in accordance with the Bank's organizational structure and the 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 2022 there were resigned 21 employees. As for recruitment, throughout 2022 Bank Jatim recruited 232 (two hundred thirty two) new employees with competence in the fields of credit, executive marketing and technology.

Competency Development

The competency development program implemented by Bank Jatim in 2022 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 2022, the Bank enrolled employees in education according to their positions and needs with a total of 3,428 participants from 4,515 employees (76%).



**Activity data based on employee competency areas**

In improving the quality of Human Resources, the Bank carried out 44 professional certification activities including Level 1 - Level 5 Risk Management Certification, Credit Officer Certification, Compliance Certification, Treasury Dealer Certification at the Basic - Intermediate level, Information Technology Certification and maintenance programs certification with a total of 1,157 participants.

Policy

The competency development program implemented by Bank Jatim was carried out with full commitment by the Bank to provide competency development to all of its employees. Bank Jatim provided equal opportunities for all employees to take part in the competency development program held by the Bank regardless of the position level or gender of the employee.

Competency Development Implementation

Table of Competency Development by Position Level in 2022

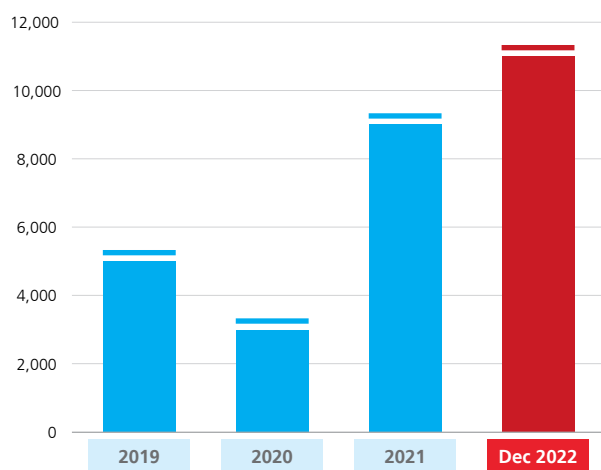
No.	Position Level	Type of Education	Training Objectives	Number of Employees	Number of Employees Who Have Attended Training	Percentage of Those Who Have Attended Training For Each Position Level	Percentage Who Has At-tended Training For Each Type of Training
1.	Staff, Junior and Level Positions	Hard 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. 	3.218	2.238	70%	70%
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. 	880	789	90%	90%
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. 	274	263	96%	96%
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. 	107	105	98%	98%
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. 	20	19	95%	95%
6.	Directors/ Commissioners	Hard and soft competency	<ul style="list-style-type: none"> - Improved leadership competence. - Maintenance of competency certificates.. 	12	12	100%	100%
Number of Employees Who Have Attended Training				4.515	3.428	76%	

Evaluation of Competency Development Implementation

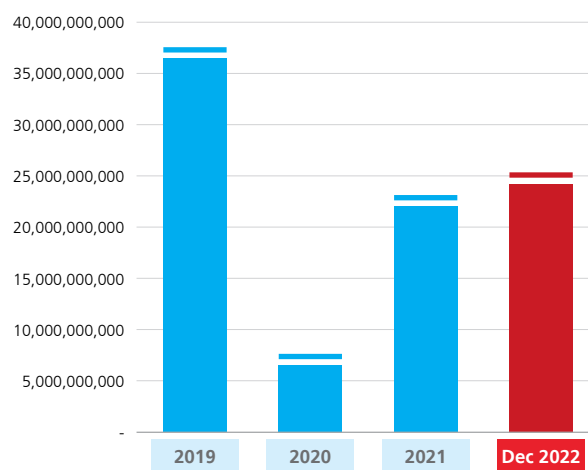
Competency enhancement activities by conducting education and training were carried out optimally. This could be seen from the

large number of employee education participants and comparison with budget realization from the last 4 (four) years.

Number of Training Participants



Budget Realization



Competency Development Costs

In accordance with banking regulations, Banks were required to budget costs in developing their Human Resources competence of at least 5% of the cost of personnel spending in the previous year, so the budget table and the realization of the employee education and training budget were obtained as follows:

In 2022, Bank Jatim carried out competency development for employees by involving 3,428 employees. The costs incurred by Bank Jatim in 2022 in the context of competency development reached IDR23,834,986,794, an increase from the costs incurred in 2021 which reached IDR22,649,068,859.

Table of Competency Development Costs for 2021-2022

Keterangan	2022	2021
Total Cost (IDR)	23,834,986,794	22,649,068,859

Career Development

Bank Jatim realizes that Human Resources (HR) is one of the bank's assets that plays a role in the progress and development of Bank Jatim itself. In the increasingly fierce inter-bank business competition, professional human resources are needed. To obtain professional human resources, a systematic, consistent and quality education, training and employee competency development program is needed. Bank Jatim developed education, training, development and maturation programs for prospective leaders who have an impact on positions (civil effect). For this reason, participants had to own high motivation, dedication and integrity, have the power to be creative and innovative as well as have in-depth knowledge and understanding of their field of work to achieve positions as senior management.

The career development program at Bank Jatim was divided into 4 (four) programs that follow the existing echelon levels, these programs include:

- Jatimers Leadership Development Program 1 (JLDP 1) – was a tiered career path development program to fill echelon 1 positions from potential echelon 2 workers.
- Jatimers Leadership Development Program 2 (JLDP 2) – was a tiered career path development program to fill echelon 2 positions from potential echelon 3 workers.
- Jatimers Leadership Development Program 3 (JLDP 3) – was a tiered career path development program to fill echelon 3 positions from potential echelon 4 workers.
- Jatimers Leadership Development Program 4 (JLDP 4) – was a tiered career path development program to fill echelon 4 positions from potential implementing workers.

To join the career management program, employees had to meet the following requirements:

1. General administrative requirements.
2. Obtain positive recommendations from Work Unit Leaders as well as participate in assessments and receive positive recommendations from assessors.

3. For promotion of officials to echelon 1 and 2, it is mandatory to obtain a positive recommendation from the Personnel Management Committee.

Career programs were opened according to the projected need for a vacancy by determining the formation issued by the unit responsible for Organizational Structure and Networking.

Talent Management

Talent management implemented by Bank Jatim aims to prepare, develop, and retain employees in order to show their best performance, both at present and in the future. The basis in managing talent management consists of two aspects, namely competency as measured through the assessment process and employee performance. Competency measurements are carried out regularly to update the latest capabilities of each employee at all levels of position. In 2022, Bank Jatim carried out employee career development programs including the following:

1. 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.

2. Employee career program

The employee career path program in 2022 for filling positions is as follows:

No.	Position	Total
1.	Level Division Leader	5
2.	Sub-Division Leader/Branch Level Leader	25
3.	Sub-Branch Leader/PBO Level	110
4.	Supervisor/Analyst/Officer Level	90

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

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. Competencybased 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:

- Echelon Rankings
- Personal Grade
- 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	Division Leader, Main Branch Leader	17	Executive Vice President	EVP
	F2		Senior Vice President	SVP	
	F1				
Echelon 2	E3	Leader of LJTJ Conventional Branch 1	15	Vice President	VP
	E3 E2 E1	Class 1 Covenant Branch Leader, Main Branch Manager, Class 2 and 3 Branch Leader, LJTJ2 and LJTJ3 Branch Leader, 1 and 2 Branch Manager and Sub Division Leader	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)
10	Assistant Manager	Ast. Mgr			
9	Sub Manager	Sub. Mgr			
Echelon 4	C3	Supervisor, Head of Cash Office, Analyst, Relationship Manager, Officer (Conventional and Sharia)	8	Senior Supervisor	Sr. Spv
	C2		7	Supervisor	Spv.
	C1		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
			Non Career Employees	2	Junior Clerk
Basic Officer	A2 A1	Security guard, driver, office boy	1	Creation	-

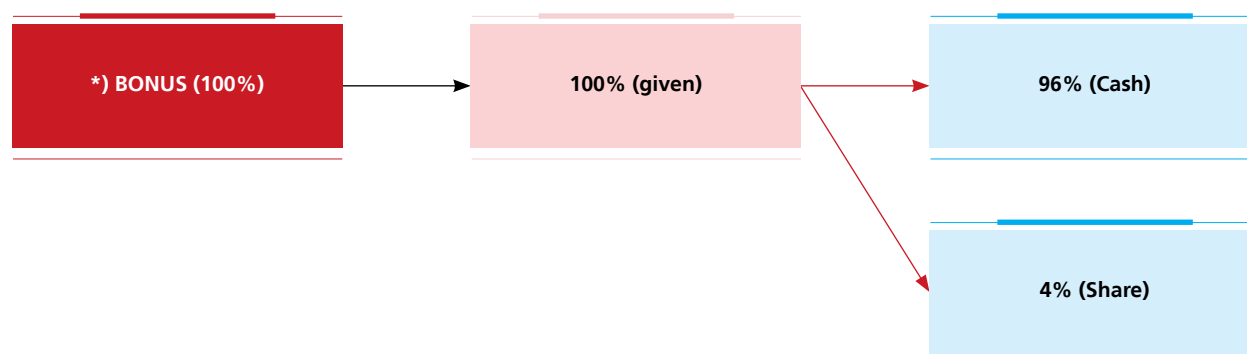
As the basis for the preparation of governance guidelines for providing good remuneration for Management, the Bank put forward the principles of Good Corporate Governance and referred to the prevailing laws and regulations, including:

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.03/2015 dated December 23, 2015 concerning Implementation of Governance in Providing Remuneration for Commercial Banks;
4. Financial Services Authority Circular Letter Number 40/SEOJK.03/2016 dated September 26, 2016 concerning Implementation of Governance in Providing Remuneration for Commercial Banks

Basically, remuneration was divided into 2 (two) fixed remunerations and variable remunerations. As an implementation of the Financial Services Authority Regulation, Bank Jatim determined the parties to be Material Risk Takers, consisting of:

- President Director
- Field Director under the President Director
- Board of Commissioners

The percentage of variable remuneration for Bank Managers that is not included in the Material Risk Taker is as follows:



Pension Program

Bank Jatim enroll all of its employees into a pension program, both those that are mandatory by law and those that are managed by the Employee Pension Fund. 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 Engagement 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 include:

- 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.
- Creating strong relationships with each employee.
- This relationship will also make employees focus on the desired achievement, build solid teamwork, and do not forget to express gratitude and appreciation for the achievements between divisions.
- 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 include:

- Companies better understand the need for employee competency improvement so that the level of engagement between employees and the company increases.
- 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.

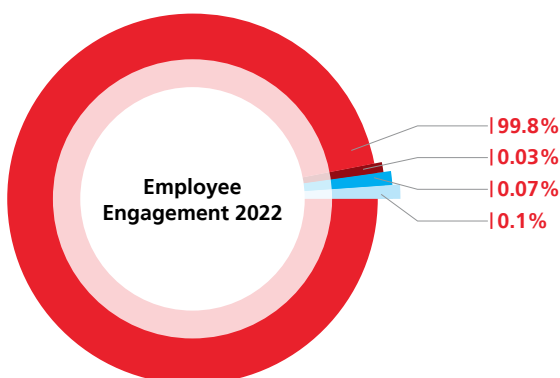
- The company will have employees with positive attitudes and behaviors. With a positive attitude, of course, it will lead to better company growth than the previous year.

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.

Employee Engagement is divided into 4 (four) levels, namely :

- 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.
- 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.
- 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.
- 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.

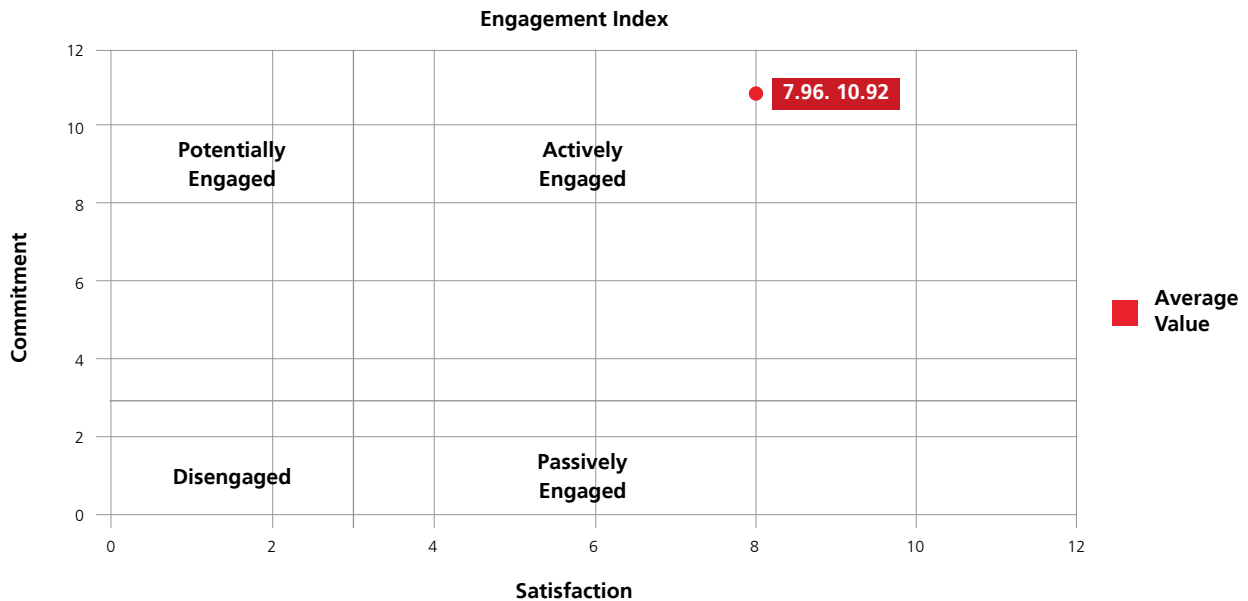
From the survey that has been carried out by the Company, the results can be seen as follows:



From the graph above it can be seen that the results of employee engagement in 2022 as a whole consisted of (7.96, 10.92) meaning that the Employee Satisfaction Level was 7.96 and the Employee Commitment Level was 10.92. The Employee Engagement Level was divided into 4 (four) groups as follows:

- Actively Engaged with 99.8% totaling 4,139 employees
- Potentially Engaged by 0.1% for 4 employees
- Passively Engaged by 0.07% for 2 Employees
- Disengaged by 0.03% for 1 employee

As for the employee engagement matrix with the following results:



The matrix shows that the level of employee satisfaction with the Bank was at 7.96 (Very Satisfied), an increase from the previous year, which was 2.38. 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 10.92, from these results can be categorized well because the value is above the middle value limit of employee commitment to the Company.

Human Capital Information System

Along with the times, the development of information technology can make it easier for humans to do activities, view news and search for various information circulating in cyberspace. Technological developments make it easier for all human activities in the future. The Human Capital Division has launched a Digital product, namely the Human Capital Portal. The Human Capital Portal is a website-based digital information media that is useful for ensuring communication and providing services to employees, including accommodating information, news, training agendas, activity information, polls, and gateways to other applications. E-Human Capital/e-HC is a website-based application that can

be accessed via the internet either through personal computers or gadgets/mobile. Through the e-Human Capital application, employees can perform employee self-service, including applying for leave, claiming hospitalization costs, glasses costs, printing payslips, attendance, business travel, overtime pay, conducting surveys/questionsnaires, online quizzes, e-care, e-health and employee Curriculum Vitae data. Human Capital Management at Bank Jatim which has been supported by Technology applications through the Bank Jatim Human Capital Portal has optimized HR management at the Bank. Bank Jatim Portal features are described as follows:

**Employee Self Service**

- Personal data
- Family Data
- Grade and Position History Data
- Reward Punishment data
- Health History Data
- Remuneration Data (Salaries, Allowances, Deductions etc.)
- Insurance Data
- Leave, Permit, Sick Data
- Educational History Data
- Certification Results Data
- Work Life Balance

GCG Implementation:

- HR BPP Data
- BI Circular Letters/Regulations Data
- Directors Decree regarding HR Data
- Government Regulations regarding HR Data

**Feature Application****Payroll System and Integrated Income Tax****Online Attendance****SPD Online****News:**

- Division Memo/letters
- National holiday
- Activity News
- Obituary
- Training Information

**Measurement System****Performance Measurement Automation**
(Performance Measurement)**Service Culture Measurement Automation**
(Service Level Measurement)
(In development)**Work Load Analysis Automation**
(In development)**E-Learning**
(Assessment Product)
Knowledge Management

KPI-SCORECARD AS A PERFORMANCE MANAGEMENT SYSTEM TO FACILITATE EMPLOYEE PERFORMANCE MONITORING AND REPORTING PROCESS

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

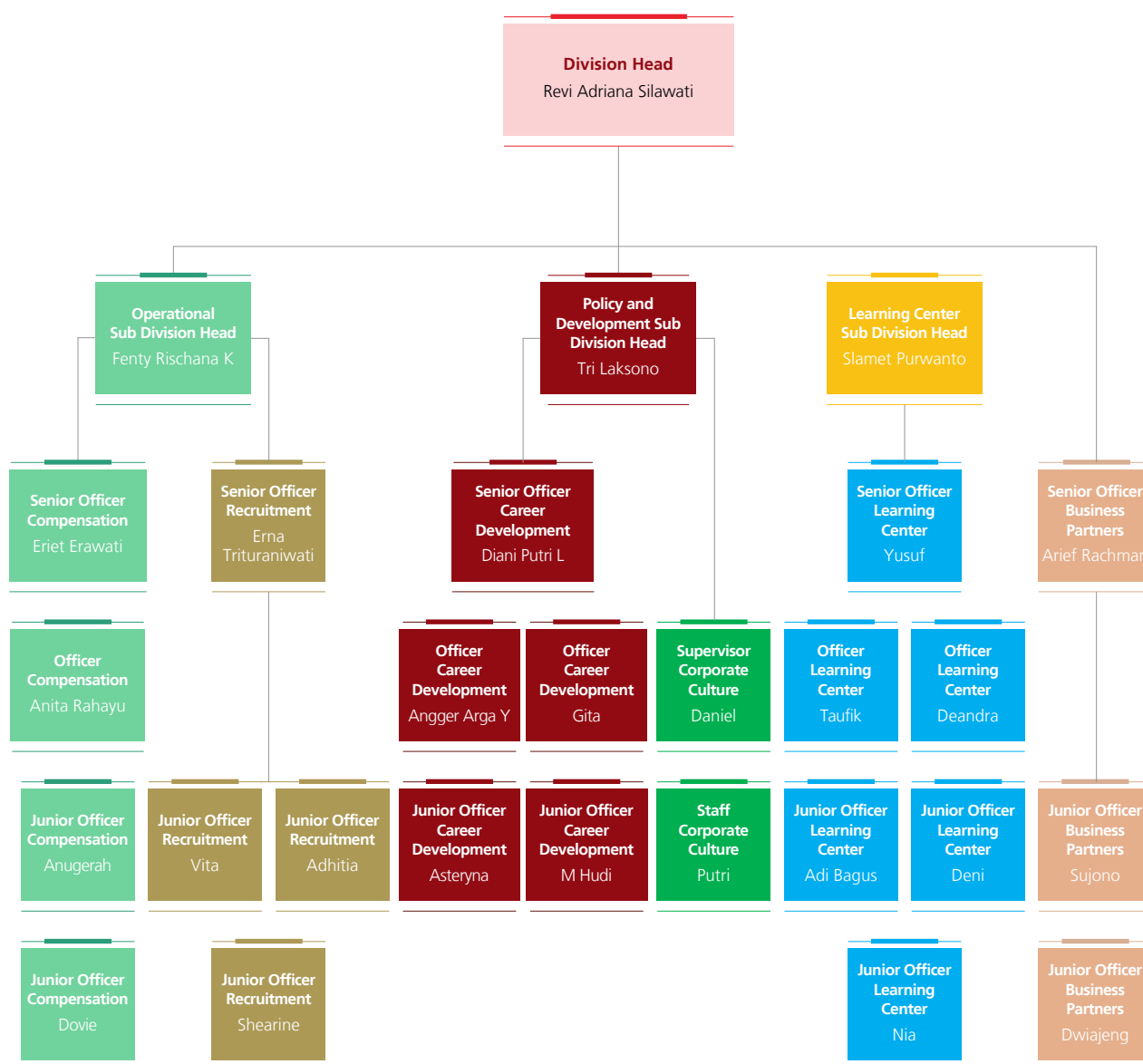
so that it can respond to challenges and changes and make its employees able to adjust quickly, more dynamically, and agile by continuously taking into account the aspects of professionalism and integrity.

Human Capital

Management Structure

A reliable, loyal and competent Human Resources is the main capital of Bank Jatim to achieve the vision, mission and business success. Bank Jatim always prioritizes development HR both individuals and teams and the development of Corporate Culture as a business strategy in order to maintain the best performance in the banking services business.

The Human Resources Division at Bank Jatim is under the President Director and lead by Human Capital Division Head. This division consists of the Human Capital Services Sub Division and the Human Capital Development Sub Division which have roles in service operations, policy formulation and Human Capital development so that it is expected to develop employees who are competent and have high corporate cultural values.





Human Capital

Work Plan 2023

The Human Capital Division had a human capital development plan for 2023 as follows:

POLICY AND HUMAN CAPITAL DEVELOPMENT SUB DIVISION

1. In House Training for all cultural teams (Branch and Head Office) to increase engagement with the Bank;
2. Cultural Identity, namely a program to provide identity in the form of attributes to the cultural team;
3. Conducting Coaching and Mentoring for the Culture Team, as well as monitoring and evaluating the implementation of the Corporate Culture work program in all work units (Branch and Head Office);
4. Communication space between workers and Top Management through the Greeting and Sharing with BOD program;
5. Annual activities for the Bank Jatim cultural team, namely EXPRESTIVAL (EXPRESI FESTIVAL) to give appreciation to the Culture Team;
6. Compilation of Competency Dictionaries and Profiles;
7. Preparation of job requirements; and
8. Development of Employee Performance Appraisal System.

HUMAN CAPITAL OPERATIONAL SUB DIVISION

1. Implementation of the provision of MOP facilities for branch account officers;
2. Preparation of provisions and implementation of block leave obligations as part of the mitigation and prevention of fraud incidents;
3. Refinement of provisions regarding income tax allowances for employees;
4. Completion of CAP provisions;

5. Giving Rewards for Efficient Use of Health Facilities;
6. Improving the grading system through job person matches;
7. Implementation of termination of employee service in 2023;
8. Launching of the Jatimers Internship Program (JIP) starting from licensing, facilities and infrastructure to the JIP talent recruitment process;
9. Increasing the competence of prospective assessors to improve the quality of assessors;
10. Digitalizing family responsibilities for permanent employees starting from the system creation process, program implementation and outreach; and
11. Establishment of an assessment center for the recruitment of pro-hire psychologists and preparation for assessment center locations.

LEARNING CENTER SUB DIVISION

1. Preparation of the latest learning curriculum and syllabus according to the Bank's vision and mission and position levels;
2. Mapping and compiling the need for mandatory competency training and certification for all employees according to the scope and field of work;
3. Formulation of employee education and training policies;
4. Development of a digital-based Learning Management System (LMS);
5. Overseas education programs;
6. Masters Scholarship Program; and
7. Optimization of the role and function of the Internal Lecturer.

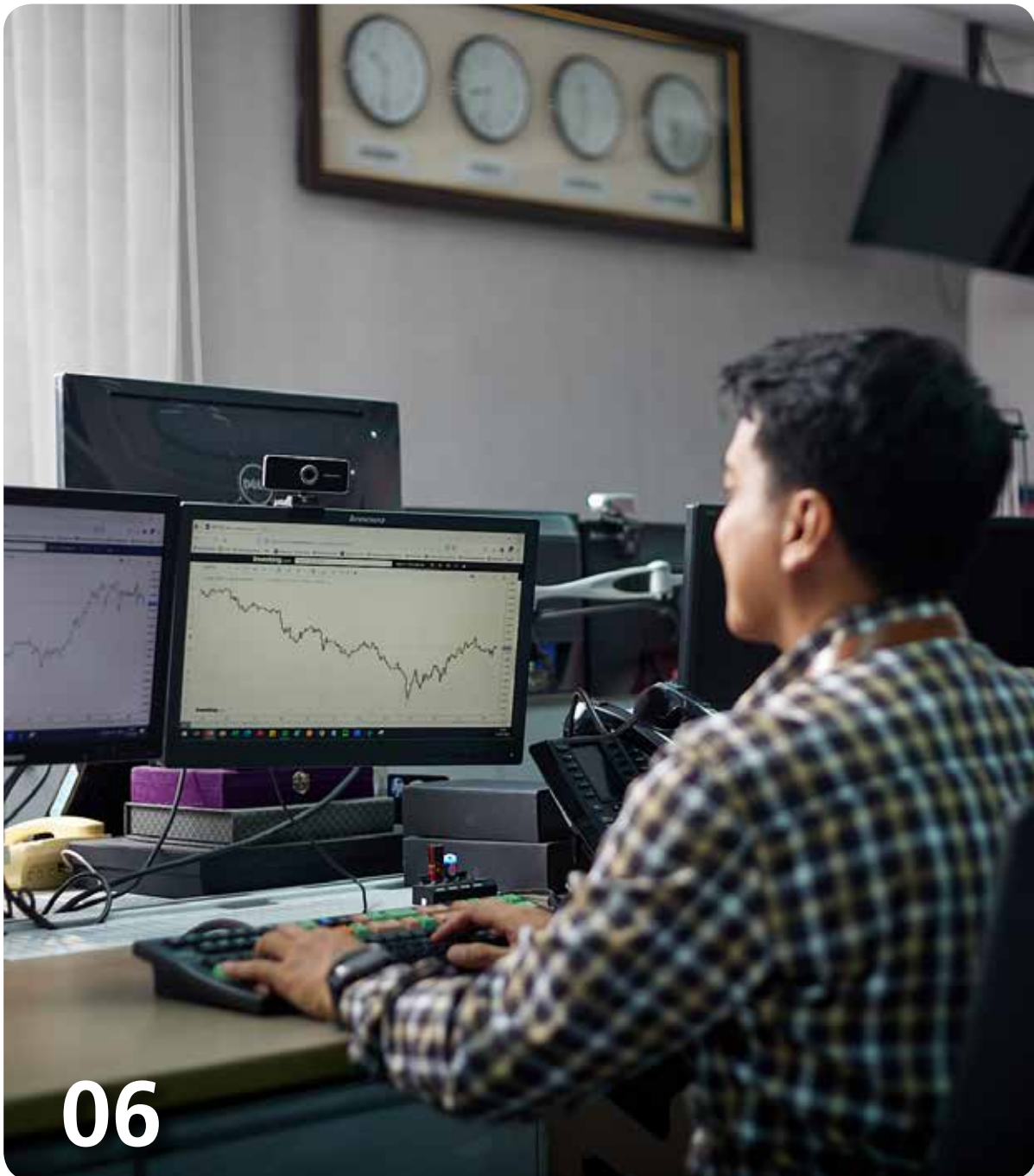
PARTNER BUSINESS GROUP

1. Extension of the Collective Labor Agreement;
2. Acceleration of Punishment Granting Process; and
3. Survey Employee Engagement.



Information Technology





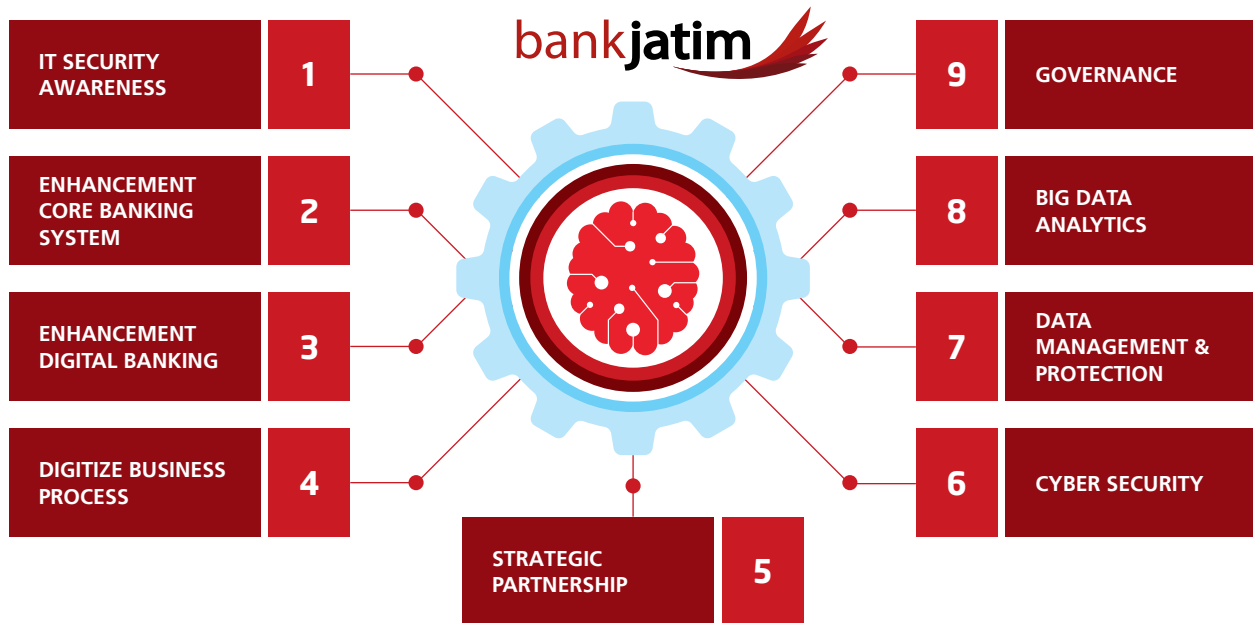
06



Information Technology Strategy

Industry 4.0 encourages digitalization to develop and change all lines of banking business processes. By looking at the current conditions, Bank Jatim also needs to develop and make changes

to information technology (IT) at the Bank. The following is an IT strategy for developing and responding to the development of industrial digitization 4.0:



Picture 1. Bank Jatim Information Technology Strategy
(Source: Bank Jatim IT Division)



IT SECURITY AWARENESS

With the development of digital banking services, banks must prepare an IT security strategy for prevention, monitoring, protection and information protection solutions from threats of fraud, viruses, destructive malware through networks, users, email and the cloud.



ENHANCEMENT CORE BANKING SYSTEM

Modernization of the Core Banking System and its supporting infrastructure to improve operational and service reliability and continuity, capacity planning, fast processing rates, high transaction volume and support for digital banking development.



ENHANCEMENT DIGITAL BANKING

The development of Digital Banking must be able to support business, meet to banking technology trends, fulfill behavioral regulations and consumer needs, anticipate the level of competition between bank/non-bank institutions.



DIGITIZE BUSINESS PROCESS

By digitizing innovation in business processes, helping to increase efficiency, integration, SLA acceleration, paperless, easy and adaptive so that it has a positive impact on business expansion.



STRATEGIC PARTNERSHIP

Strategies for building partnerships and bank collaboration through 3rd parties and ecosystem collaboration with fintech/other bank institutions in terms of utilizing big data technology and cloud computing.



CYBER SECURITY

Cyber attacks have driven the need to increase cyber resilience through strengthening cyber security. Strengthening cyber security in banking sector to address cyber risk.



DATA MANAGEMENT & PROTECTION

Protection of personal data is aimed at guaranteeing citizens' rights to personal protection and raising public awareness as well as guaranteeing recognition and respect for the importance of protecting personal data.



BIG DATA ANALYTICS

Utilization of data in large volumes and speeds for decision-making analysis, risk mitigation and business improvement supported by artificial intelligence technology.



GOVERNANCE

Policies, processes/activities and procedures to support IT operations to support business strategy.

1. IT Security Awareness

The Industrial Revolution 4.0 along with the increase in digital banking services in banking requires the readiness and reliability of information technology (IT) Security in dealing with the increasing penetration of internet users. Banks must prepare a strategy to increase HR knowledge regarding IT Awareness for prevention, monitoring, protection and solutions to protect customer information from threats of fraud, viruses, malware and cyber crimes that enter through the network, users, email or 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. The Core Banking System (CBS) currently used by Bank Jatim applied Telkomsigma's Alphabits 4.2, which so far had met the needs of Bank Jatim's business processes. To speed up the End of Day (EOD)/End of Month (EOM)/End of Year (EOY) process, which currently still used a single thread (not yet multithreaded) and needs digital banking in the future, management needs to evaluate and enhance Current Core Banking System (CBS).

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.

Facing the era of digitalization, Bank Jatim made changes and developments in banking services for customers by launching JConnect as Bank Jatim's digital banking branding to make it easier and more effective for customers to make transactions and accelerate the service process. Furthermore, Bank Jatim still had a strategy for digital banking by increasing and strengthening Bank Jatim products to become more digital, including Customer Online Boarding, Credit Online, Customer self-service, One Platform or Know Your Customer (KYC). The acceleration of digital transformation needed to be balanced with strengthening in the field of regulations/policies so that they remained in compliance with applicable regulations and could still be monitored for their use.

In the process of developing digitalization there was also a balance from the HR side. For this reason, Bank Jatim needed to improve the quality of Human Resources (HR) to prepare, develop banking technology and to adapt to existing technological developments.

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 digitalizing a process not only for existing workflows, but to make them better and more efficient. For banks, it can automate popular operations such as lending services, credit services, cash and non-cash transactions. This economic effect is very important because the service becomes more accessible to customers and the waiting time can be shortened and the service can be accessed 24 hours non-stop by customers. By digitizing innovations in business processes, it can help increase efficiency, accelerate integration of Service Level Agreement (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. Strategies through cooperation and collaboration with third parties would continue and be developed considering the increasing competition in the banking sector.

Bank Jatim's strategy to support digital banking improvements and deal with the development of fintech institutions is to develop Open Banking, in collaboration with Fintech (Gopay, Dana, Ovo) and e-commerce (Tokopedia). Bank Jatim continued to see opportunities to collaborate with 3rd Party ecosystems or other fintech/bank institutions. Bank Jatim also continued to support business units (you can say with a 3rd party) both from infrastructure and Bank Jatim sharia business development.

6. Cyber Security

The development of digitalization in the banking sector increased the risk of cyber security for the Bank. The rise of cyber attacks prompted the need to increase cyber resilience through strengthening cyber security. Strengthening cyber security led to various initiatives in various industrial sectors, including the banking sector, to address cyber risk by regulators in various countries. Moreover, the financial sector including banking was the sector that had the highest target of cyber attacks both globally and in Indonesia. Based on the records of the Bank for International Settlements (BIS), banking regulators in several countries had specific policies related to cybersecurity. The Bank Jatim strategy to improve cyber security included policies related to cyber security management, cyber risk assessment obligations, Bank information technology vulnerability testing obligations, cyber maturity level assessment, and implementation of Bank cyber security testing.

7. Data Management and Personal Data Protection

Personal Data is certain individual data that is stored, maintained, and kept true and protected by confidentiality. Protection of personal data is one of human rights which is part of personal protection. Protection of personal data is aimed at guaranteeing citizens' rights to personal protection and raising public awareness as well as guaranteeing recognition and respect for the importance of protecting personal data.

8. 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

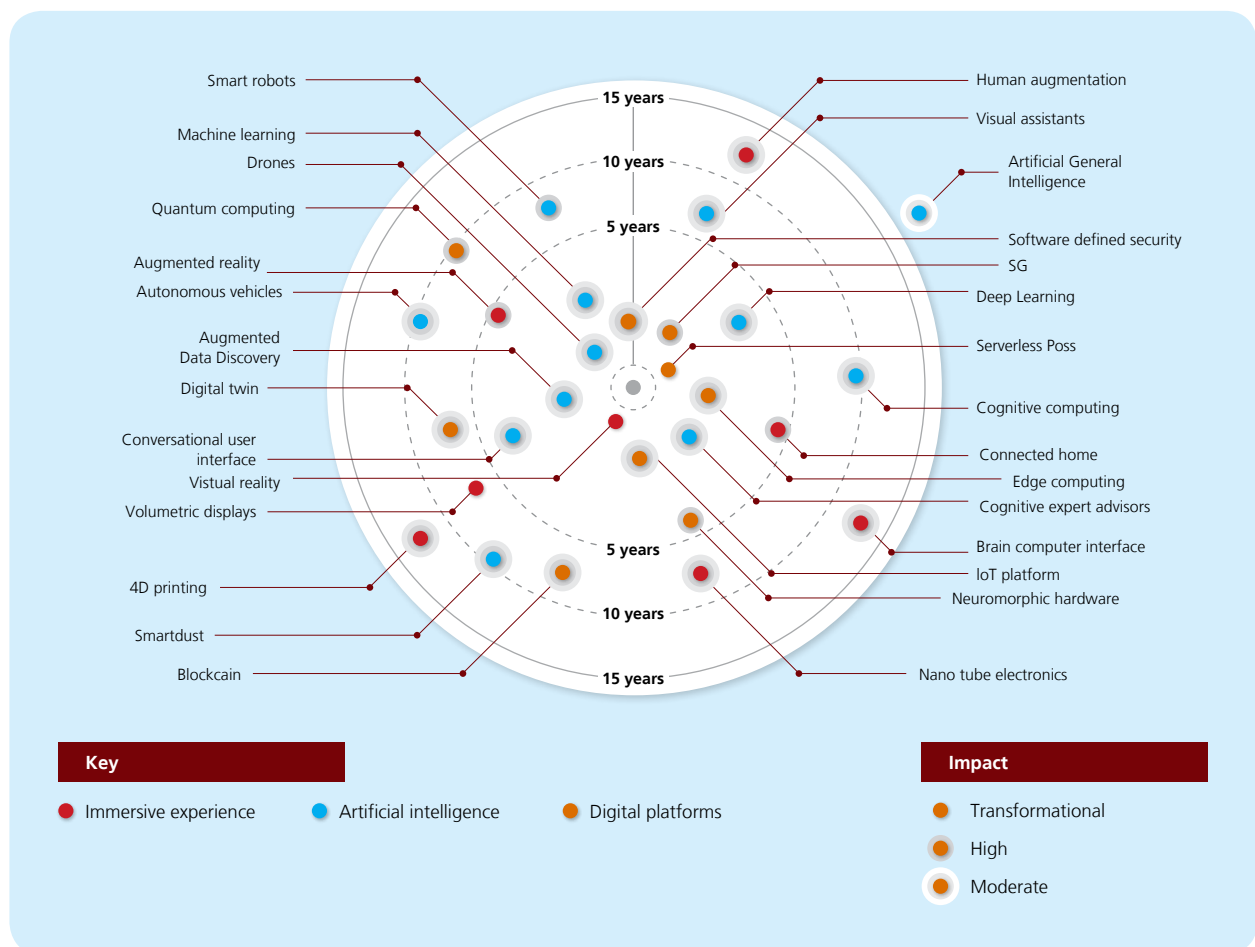
Utilization of data in large volume and speed for analysis and decision making, risk mitigation and business enhancement was supported by artificial intelligence technology. On a large scale big data analytics provided the means to analyze data sets and draw conclusions about that data to help make informed 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

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 the FSA, the development of digital technology in banking can be described as shown below:



Picture 2. According to OJK, the development of digital banking technology in the future.
(Source: KPMG)

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.



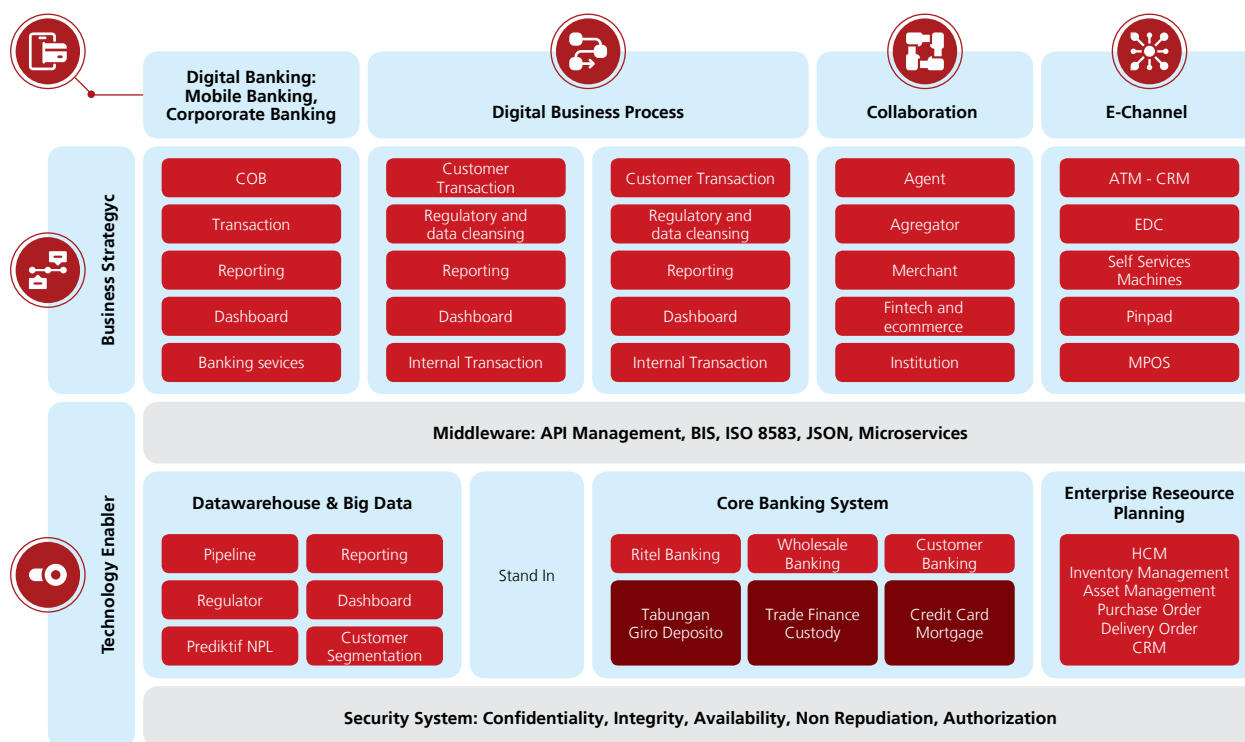
Until 2022, Bank Jatim had been innovating and investing in technology so that it could remain competitive in the development of digital banking technology. Currently, several products and services had been launched to make services easier for the public, namely:

1. To facilitate service to customers:
 - a. JConnect Sipandai
 - b. JConnect EKMG
 - c. JConnect Eloan
 - d. JConnect Mobile Banking
 - e. Jconnect Internet Banking
 - f. SMS Banking
 - g. Jatim Kilat
 - h. Peer to Peer Lending Host To Host With Amarthia 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-Retribusi, dan e-Bansos)
2. To optimize business processes:
 - a. Upgrade Mesin 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. Load Balancer
 - f. Two Factor Authentication dan VPN Concentrator
 - g. Web Application Firewall

Information Technology

Infrastructure

High Level Architectural Design



Picture 3. High Level Architectural Design.
(Source: Bank Jatim IT Division)

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;
- Standard Operating Procedure;
- Annual plans and capacity planning, and people or implementing staff.

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;
- ost-to-host connection to biz-partner; and
- Stakeholders and regulators who receive reports.

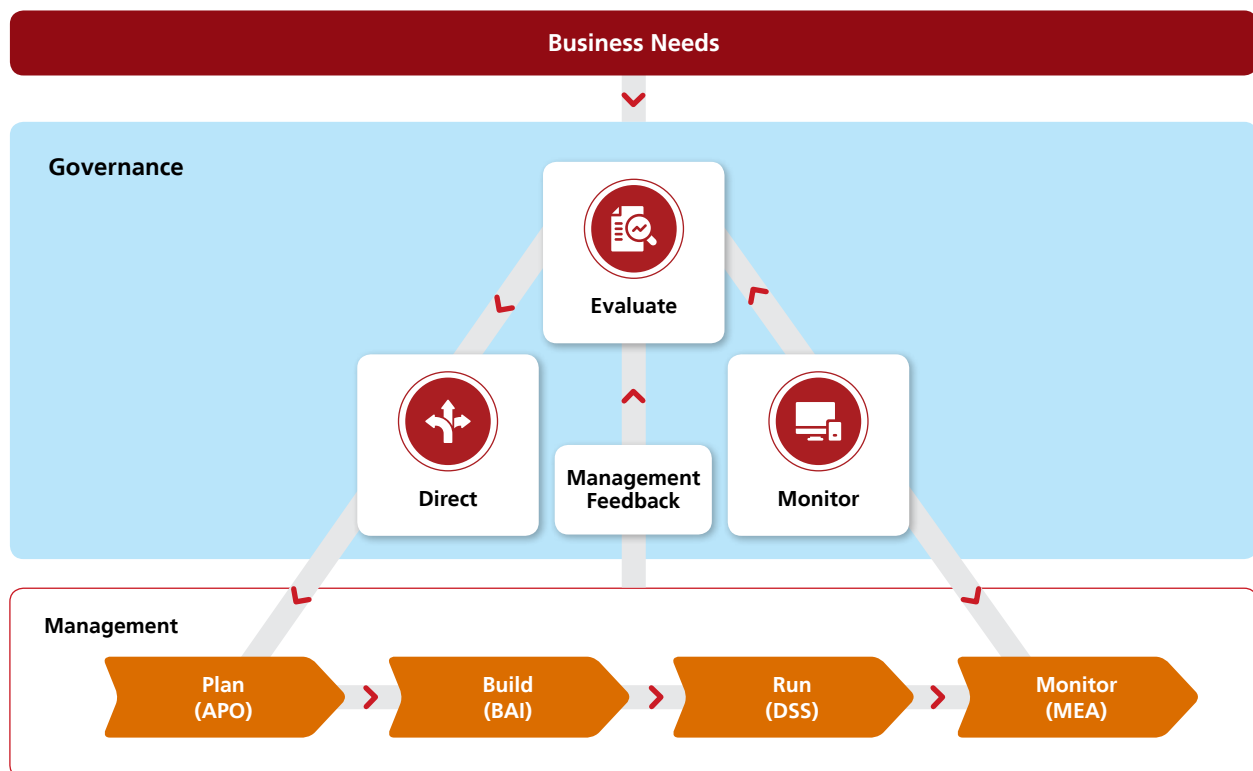
People included the organization, the adequacy of the number of personnel, and the adequacy of competencies to carry out an IT position.

Information Technology

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.



Picture 4. Governance Process of IT.

The picture above is a model of Bank Jatim IT Governance. The description of the picture is as follow:

1. Evaluating the use of Information Technology in current and future conditions;
2. Carrying out direct directions regarding the preparation and implementation of plans related to the use of Information Technology and ensuring that the use of Information Technology could meet the business objectives of Bank Jatim;
3. Monitoring the conformity of Information Technology planning implementation with Information Technology policies and performance.

There are 5 (five) areas that are the focus of IT Governance, as follows:

1. **Strategic Alignment**, the application of IT must really support the achievement of the company's mission where the IT strategy must be aligned with the company's business strategy.
2. **Value Delivery**, the application of IT must be able to provide added value for the achievement of the company's mission.
3. **Risk Management**, IT implementation must be accompanied by identification of IT risks so that their impact can be handled.
4. **Resource Management**, IT implementation must be supported by adequate resources and optimal use of resources wherever possible.
5. **Performance Management**, IT implementation must be measured and evaluated regularly to ensure that IT performance and capacity are in line with business requirements.

The determination of IT governance characteristics consists of several aspects, as follows:

A. COMPLIANCES

Bank adopts regulatory compliance and best practices from regulators and the business environment as follows:

1. SEOJK Number 29/SEOJK.03/2022 dated December 27, 2022 concerning Cyber Security and Resilience for Commercial Banks. This regulation regulates the definitions of cyber security, cyber security, cyber incident reports, and early notification of cyber incidents.
2. POJK Number 11/POJK.03/2022 concerning the implementation of information technology for commercial banks. In this regulation, POJK supports digital transformation and cyber resilience of the banking industry and the banking sector for digital transformation needs to increase resilience and cyber security.
3. POJK Number 11/POJK.03/2022 concerning the implementation of information technology for commercial banks. In this regulation, the banking sector is required to have a Disaster Recovery Plan (BCP) and placement of Data Centers and Disaster Recovery Centers (DRC) in the territory of Indonesia.
4. Bank Indonesia Regulation Number 23/11/PBI/2021 concerning National Payment System Standards. In this regulation the Bank is regulated for Standardization in the implementation of the Payment System (SP) which is one of the efforts to support a healthy, competitive and innovative SP industry.
5. POJK Number 12/POJK.03/2018 concerning the Implementation of Digital Banking Services for Commercial Banks. In this regulation, banks can cooperate with third parties, both banks and non-banks, in terms of digital services to customers.
6. Regulation of Bank Indonesia Members of the Board of Governors No. 23/25/PADG/2021 concerning Implementation of Bank Indonesia- Fast payment (BI-FAST). In this regulation, Bank Indonesia as the BI-FAST service provider is aligned with Bank Indonesia policy directions in the monetary, macroprudential, as well as the payment system and rupiah currency management to support the creation of an integrated, interoperable and interconnected digital ecosystem.
7. POJK Number 13/POJK.03/2021 concerning Implementation of Commercial Bank Products. This regulation regulates Bank products, including new Bank products, which are grouped into Basic Products Bank and Advanced Products Bank.
8. *Control Objectives for Information and related Technology (COBIT) as one of the IT Governance frameworks which has an IT Strategic Plan that is aligned with business strategy.*

The Information Technology Information Library (ITIL) is a standard framework for IT in aligning IT support services to businesses. ITIL focuses on IT processes, procedures, tasks and service levels to support corporate strategy, provide added value, and maintain IT competency levels.

B. RESULTS OF VISION, MISSION AND STRATEGY ANALYSIS

1. Overcoming weaknesses and threats (SWOT)

Strength	Opportunities
<ol style="list-style-type: none"> 1. Local Government and ASN captive markets are still attached to the Bank 2. Big Data ASN, Micro Retail, and Taxpayers. 3. Have a wide range of e-channel services (ATM, SMS Banking, Internet Banking, Mobile Banking, Laku Pandai, EDC, QRIS). 4. Have a Digital Lounge that aims to attract interest from circles millennials. 5. Have a complete service of local government expenditure and revenue. 6. A very wide office network in the East Java region. 7. Have a sharia service office and sharia-based products. 8. High Quality of Service e-channel 9. Collaboration with several fintech companies (Paytren, Gopay, OVO, Tokopedia) 10. Collaboration with BPRs throughout East Java (BPR Apex). 11. Jatim Invest, Remittance and Katepay have been launched. 12. Received ISO 27001 and TTIS BSSN certification 	<ol style="list-style-type: none"> 1. Utilization and further development of Big Data. 2. Have a digital captive market. 3. The millennial age market segment is starting to dominate. 4. Cooperation and collaboration with the ecosystem. 5. Cooperation and collaboration with fintech companies in utilizing Big Data and Artificial Intelligence. 6. Potential local tax payers are still high. 7. Cashless transactions that continue to increase. 8. Changing E-Channel to become one platform (SuperApp). 9. Switching BPR Link can be continuously developed. 10. Development of ecosystem-based fintech/e-commerce and business alliances for local governments, BUMN/BUMD and communities in the East Java region. 11. Increase in Fee-Based Income.

Weakness	Threats
<ol style="list-style-type: none"> 1. Ineffective in conducting socialization, implementation and evaluation of Internal provisions of the Information Technology Division. 2. There is still a shortage of human resources according to each business need. 3. It is necessary to increase competency capability periodically and continuously. 4. Technology products that still do not follow trends and business models. 5. The digital marketing strategy is still not optimal and competitive. 6. Captive market data that has not been widely utilized. 7. The EOD and EOM processes for the PSAK process still require more time because the process is carried out on a separate engine from CBS. 8. IT organization that is not optimal. 9. Business processes that have not been digitized. 10. HCI server infrastructure is still inadequate compared to application needs. 11. Lack of availability of licenses for Microsoft windows server and Microsoft SQL. 	<ol style="list-style-type: none"> 1. Developments and changes in information technology that are increasingly fast and dynamic (Continual). 2. High customer service demands for digital services. 3. IT investments that require a large budget each year. 4. Competitors serve the captive market segment through a digital service approach. 5. Banking disruption fintech services. 6. Increased IT (cyber security) risk due to the development of information technology.

2. Vision, Mission and Strategy

From the Vision and Mission of Bank Jatim, business directions and IT SWOT analysis, the IT Vision and Mission are obtained, as follows:

IT Vision: "Providing convenience of technology-based services Information, Commitment, and collaborating with the ecosystem (Regional Government and ASN, MSME, the general public)"

IT Mission:

- a. Encouraging business growth and increasing benefits through digitalization of services and processes.
- b. Providing technology services with Service Level Measurable and competitive Agreement (SLA).
- c. Encouraging the optimization of Information Technology resources and risk mitigation based on the application of Information Technology governance principles.

C. CUSTOMER DEMANDS

Changes in the marketplace and society require banks to change towards digital banking, or services that are run with the support of Information Technology.

Some banking services are now turning into IT-based self-service services. As a consequence of this change is the increasingly high demand for Information Technology support in running a business of future changes.

D. TECHNOLOGY DEVELOPMENT

The dynamics of technological development which are getting higher with the industrial revolution 4.0, especially in financial services, requires that Bank Jatim always adapts to existing and ongoing changes. This aims to provide convenience, comfort and security for customers in interacting in banking services.

E. BANKING DIGITAL TECHNOLOGY SECURITY

Increased digital transactions need to be followed by reliable banking transaction security as the threat of cybercrime increases, it needs to be considered when implementing and responding to technological developments.

Cyber Security

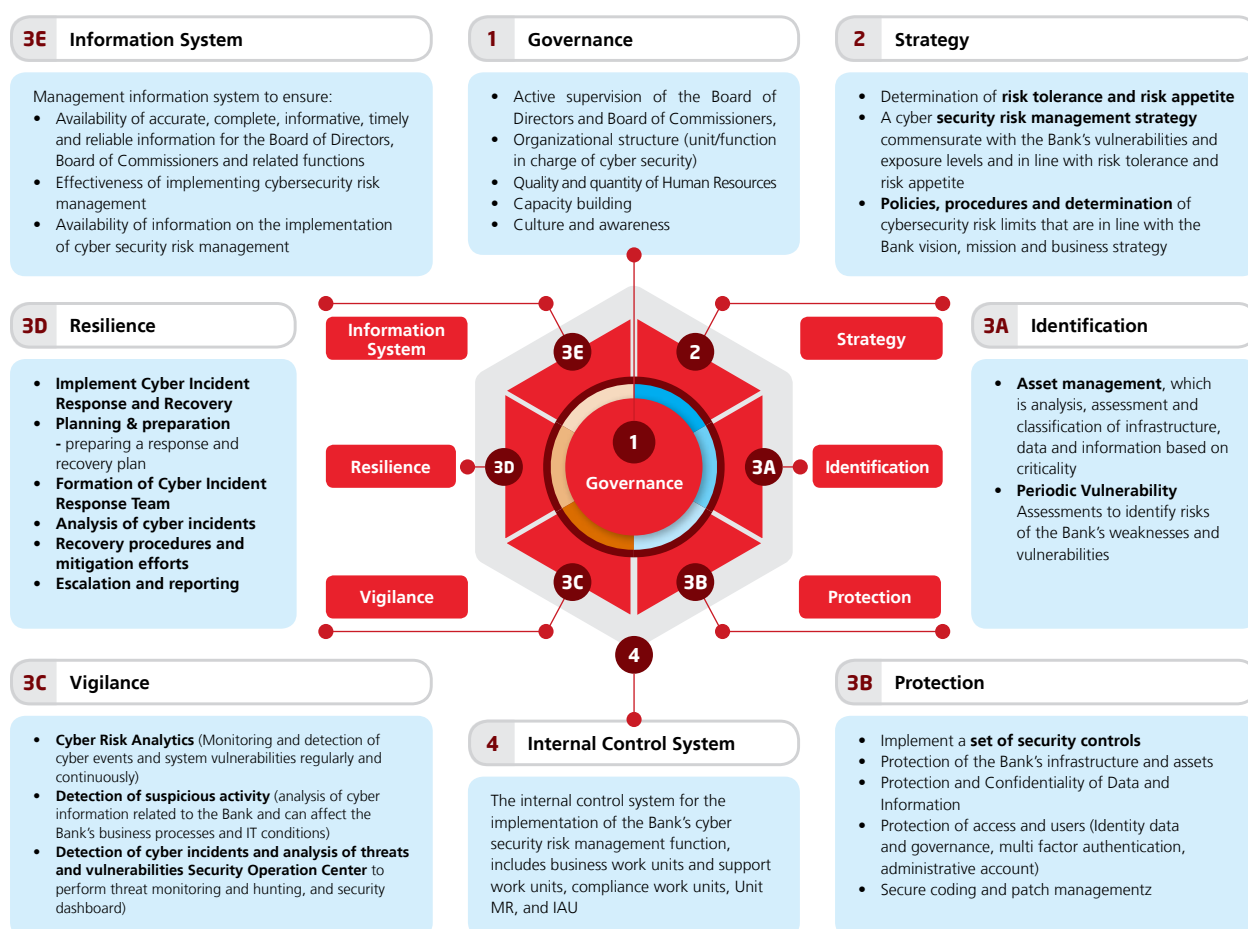
The development of digitalization in the banking sector increases the risk of cyber security for the Bank. The rise of cyber attacks has prompted the need to increase cyber resilience through strengthening cyber security. Strengthening cyber security has led to various initiatives in various industrial sectors, including the banking sector, to address cyber risk by regulators in various countries. In addition, the financial sector including banking is the sector that becomes the highest target of cyber attacks both globally and in Indonesia. Based on the records of the Bank for International Settlements (BIS), banking regulators in several countries have specific policies related to cybersecurity.

Some Best practices in various countries that aim to improve cyber security include policies related to cyber security management, mandatory cyber risk assessment, mandatory testing of Bank information technology vulnerabilities, assessment of cyber maturity levels, and implementation of Bank cyber security testing. These best practices should also be considered for implementation in Indonesian banking so that banks can mitigate potential cyber threats and vulnerabilities in the banking digitalization era.

Referring to international standards and best practices from various countries, a framework for strengthening the banking sector's cybersecurity frameworks were prepared, consisting of Cyber Security Management, Cyber Security Exercise, and Cyber Security Reporting.

a. Cyber Security Management

Cyber security management provided an overview and guidance for Banks in managing cyber risk referring to international standards and best practices, including the National Institute of Standards and Technology (NIST) Framework for Improving Cyber Security, NIST Risk Management Framework, ISO 27001 – Information Security Management Standard, ISO 27032 – Guidelines for Cybersecurity, and Financial Stability Board Cyber Incident Response Recovery Toolkits. The cyber risk management framework consisted of 4 (four) mutually sustainable pillars.



Cyber Security Management

(Source: FSA Digital Banking Blueprint 2025)

In implementing Cyber Security Management, the Bank received ISO 27001 certification in 2022. This standard was applied as a framework for an effective information security management system, especially in securing the digital transformation carried out by Bank Jatim.



Handover of ISO 27001 Certification

In general, ISO 27001 has the following benefits:

1. Improving information security: ISO 27001 supports Banks to improve information security by implementing security best practices.
2. Reducing risk: ISO 27001 helps organizations reduce the risks associated with information security and make it less likely that a data breach will occur.
3. Increasing stakeholder trust: by implementing the ISO 27001 standard, the Bank can increase stakeholder trust in the Bank's security governance.
4. Compliance with legal and regulatory requirements: ISO 27001 helps the Bank meet compliance with legal and regulatory requirements relating to information security.
5. Improving efficiency and productivity: by reducing information security risks, ISO 27001 can help Banks increase the efficiency and productivity of business operations.

b. Cyber Security Exercise

Cyber security exercise referred to the practice of testing/ penetration testing which aimed to test critical functions of the Bank as well as the capabilities of human resources and infrastructure that supported these important functions (people, process and technology). This included an assessment of the technical aspects in the form of the adequacy and effectiveness of infrastructure and system security, the capability and capacity of human resources in responding to incidents or threats, as well as the implementation of the overall simulation process. Implementation of cyber security exercises was carried out periodically according to the needs and risk profile of the Bank's cyber.

In implementing the Cyber Security Exercise, the Bank implemented the following safeguards:

1. Review security on the intranet network.
2. Perform pentest on intranet and extranet networks.
3. Review system security on internal applications, by implementing SSL and WAF (Web Application Firewall).
4. Implement Single Sign On or Single Identity for each logged in application.
5. Optimization of Active Directory on Server and PC devices.
6. Implementation of Security Information and Event Management (SIEM) on critical devices (F5 WAF, Enforcive, AS400, CISCO, Fortinet, Kaspersky, Server Active Directory).
7. Limit user access to the Core Banking System using one user, one IP address, and one computer method.
8. Examine the security system specifically for ports that can be opened or must be closed for all devices at the DC, DRC, Head Office and Work Unit levels.
9. Remote desktop uses end point management applications to prevent malware attacks on endpoint devices – PCs.
10. Ensure the latest patches have been installed on the server and endpoints.
11. Rejuvenate obsolete hardware and software.
12. Dissemination of security awareness to all employees.

c. Cyber Security Reporting

Cyber security reporting aimed to support the strengthening of bank cyber security and resilience by providing an overview of incidents and cyber threats that occurred to the authorities, consisting of cyber incident reports, reports on the results of assessing the implementation of bank cyber security risk management, and reports on the results of cyber security defense testing. In implementing Cyber Security Reporting, the Bank already had a Policy and Standard Operating Procedure regarding Cyber Security and Resilience in which the rules regulated the following matters:

1. Conduct Resilience and Cybersecurity Tests at least once a year on critical applications.
2. Conduct Security Tests on each application before promoting to production.

Information Technology

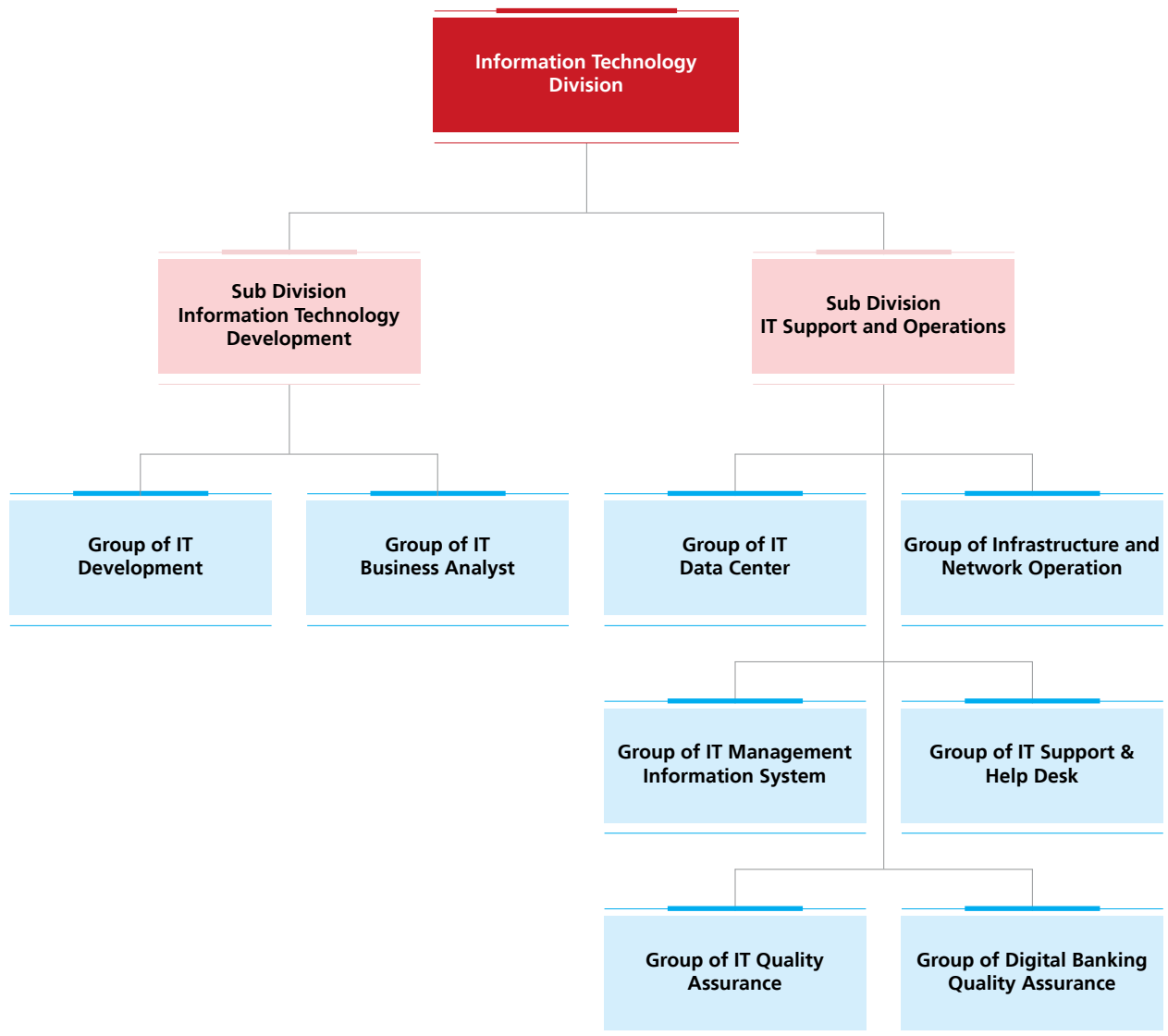
Management Structure

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

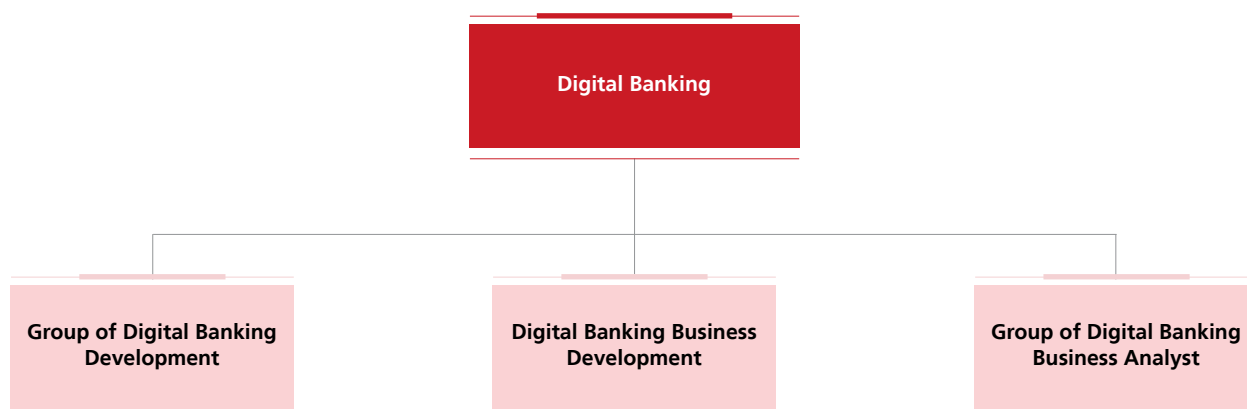
Development Sub-Division, and the IT Support and Operations Sub-Division.

Information Technology Work Unit Organizational Structure, referring to Directors Decree No. 061/218/DIR/PRS/KEP dated December 7, 2022), are as follows:

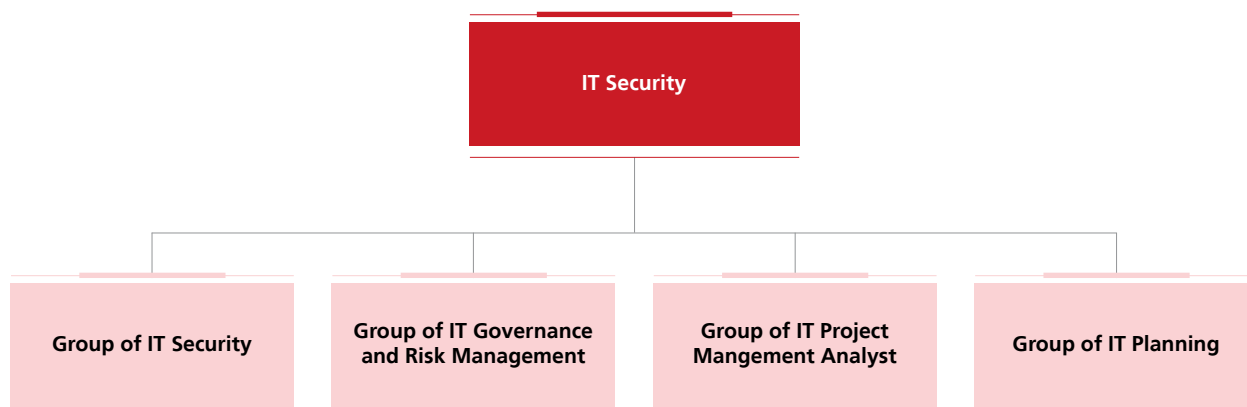
Graph of Information Technology Division Organizational Structure



Digital Banking Unit Organizational Structure Graphic



Graph of IT Security Unit Organizational Structure



The scope of tasks in the Information Technology Work Unit are as follows:

No.	Work Unit	Job Description
1.	IT Division Head	Leading the implementation of planning, monitoring, controlling of strategies, policies, systems and activities related to Information Technology and supporting conventional and sharia operations and business at Bank Jatim that are modern, effective and efficient in accordance with the demands of business needs.
2.	Head of the IT Security Unit	Monitor and ensure that all IT processes comply with and comply with applicable laws and regulations.
3.	Head of Digital Banking Unit	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 Development Sub Division	Facilitate translating business process requirements into information technology-based technical solutions and proposing appropriate IT projects and initiatives.
5.	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.

Information Technology

Work Plan 2023



After 2022, Bank Jatim focused on the security side of implementing information technology. Whereas in 2023, Bank Jatim will focus on digital standards and extra miles, including:

1. Digital Standards

- a. Cozy
The application developed must be able to be used comfortably by the user, so as to be able to give the impression of a good user experience for application users.
- b. Can be Used
Applications developed must be aligned with the business requirements requested, so that they are useful and capable of being a solution for application users.
- c. Reliable
The application developed must be reliable, the application is also able to be used as fully as possible and does not tolerate down time (Zero down time), so that the application is available for use and relied upon at any time by application users.
- d. Functionality
The developed application must be able to function properly, this can be seen from the features it has to be able to use it properly.

2. Extra Miles:

- a. Generate Meaning
It is hoped that after digital standards can be met, application users will get a good impression of using the application, giving rise to a good meaning when using the application.
- b. Causing Pleasure
Finally, it is hoped that the developed application will be able to provide pleasure for application users, so that loyalty and pleasure arise in using the application repeatedly.

Several information technology development strategies as the parts of the implementation of digital standards and extra miles developed by Bank Jatim include:

- a. Integrate business intelligence tools
- b. ERP system
- c. Banking Custody
- a. Trade Finance
- b. Corporate Loan System
- c. Credit Card

Corporate Governance





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 Number 31 of 1999 concerning Eradication of Corruption Crimes as amended by Law of the Republic of Indonesia Number 20 of 2001 concerning Amendments to Law of the Republic of Indonesia Number 31 of 1999.
3. Law of the Republic of Indonesia No. 40 of 2007 dated August 16, 2007 about Limited Liability Companies.
4. Corruption Eradication Commission Regulation Number 2 of 2019 dated November 05, 2019 concerning Reporting of Gratification.
5. Corruption Eradication Commission Regulation Number 02 of 2020 dated June 5, 2020 concerning Amendments to Corruption Eradication Commission Regulation Number 07 of 2016 concerning Procedures for Registration, Announcement and Examination of the Assets of State Administrators.
6. POJK No. 33 /POJK.04/2014 dated December 8, 2014 concerning Directors and Board of Commissioners of Issuers or Public Companies.
7. POJK No. 34/POJK.04/2014 dated December 8, 2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.
8. POJK No. 35/POJK.04/2014 dated December 08, 2014 concerning Corporate Secretary of Issuers or Public Companies.
9. POJK No. 21/POJK.04/2015 dated November 16, 2015 concerning Guidelines for Implementation of Public Company Governance.
10. POJK No. 45/POJK.03/2015 dated December 22, 2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks.
11. POJK No. 55/POJK.04/2015 concerning the Establishment and Guidelines for the Work Implementation of the Audit Committee.
12. POJK No. 4/POJK.03/2016 dated January 27, 2016 concerning Assessment of the Soundness of Commercial Banks.
13. POJK No. 5/POJK.03/2016 dated January 27, 2016 concerning Bank Business Plans.
14. POJK No.18/POJK.03/2016 dated March 22, 2016 concerning the Implementation of Risk Management for Commercial Banks.
15. POJK No. 27/POJK.03/2016 dated July 27, 2016 concerning the Fit and Proper Test for Main Parties of Financial Services Institutions.
16. POJK No. 29/POJK.04/2016 dated July 29, 2016 concerning Annual Reports of Issuers or Public Companies.
17. 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.
18. 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.
19. 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.
20. POJK No. 55/POJK.03/2016 dated December 9, 2016 concerning Implementation of Governance for Commercial Banks.
21. POJK No. 12/POJK.01/2017 dated March 16, 2017 concerning Implementation of Anti-Money Laundering and Counter-Terrorism Financing Programs in the Financial Services Sector.
22. POJK No. 46/POJK.03/2017 dated July 12, 2017 concerning Implementation of Compliance Function for Commercial Banks.
23. POJK No. 1/POJK.03/2019 dated January 28, 2019 concerning Implementation of the Internal Audit Function in Commercial Banks.
24. SEOJK No. 13/SEOJK.03/2017 dated March 17, 2017 concerning Implementation of Governance for Commercial Banks.
25. SEOJK No. 14/SEOJK.03/2017 dated March 17, 2017 concerning Assessment of the Soundness of Commercial Banks.
26. SEOJK No. 32/SEOJK.04/2015 dated November 17, 2015 concerning Governance Guidelines for Public Companies.
27. Articles of Association of PT East Java Regional Development Bank Tbk. along with the changes.

In addition to the required provisions of the various laws and regulations above, the Company also bases on the GCG implementation guidelines as follows:

1. Principles of Corporate Governance developed by the Organization for Economic Cooperation and Development (OECD).
2. ASEAN Corporate Governance Scorecard.
3. Indonesian GCG Guidelines developed by the National Committee on Governance Policy (KNKG).
4. Indonesian Banking GCG Guidelines developed by the National Governance Policy Committee (KNKG).
5. Principles for Enhancing Corporate Governance published by the Basel Committee on Banking Supervision.

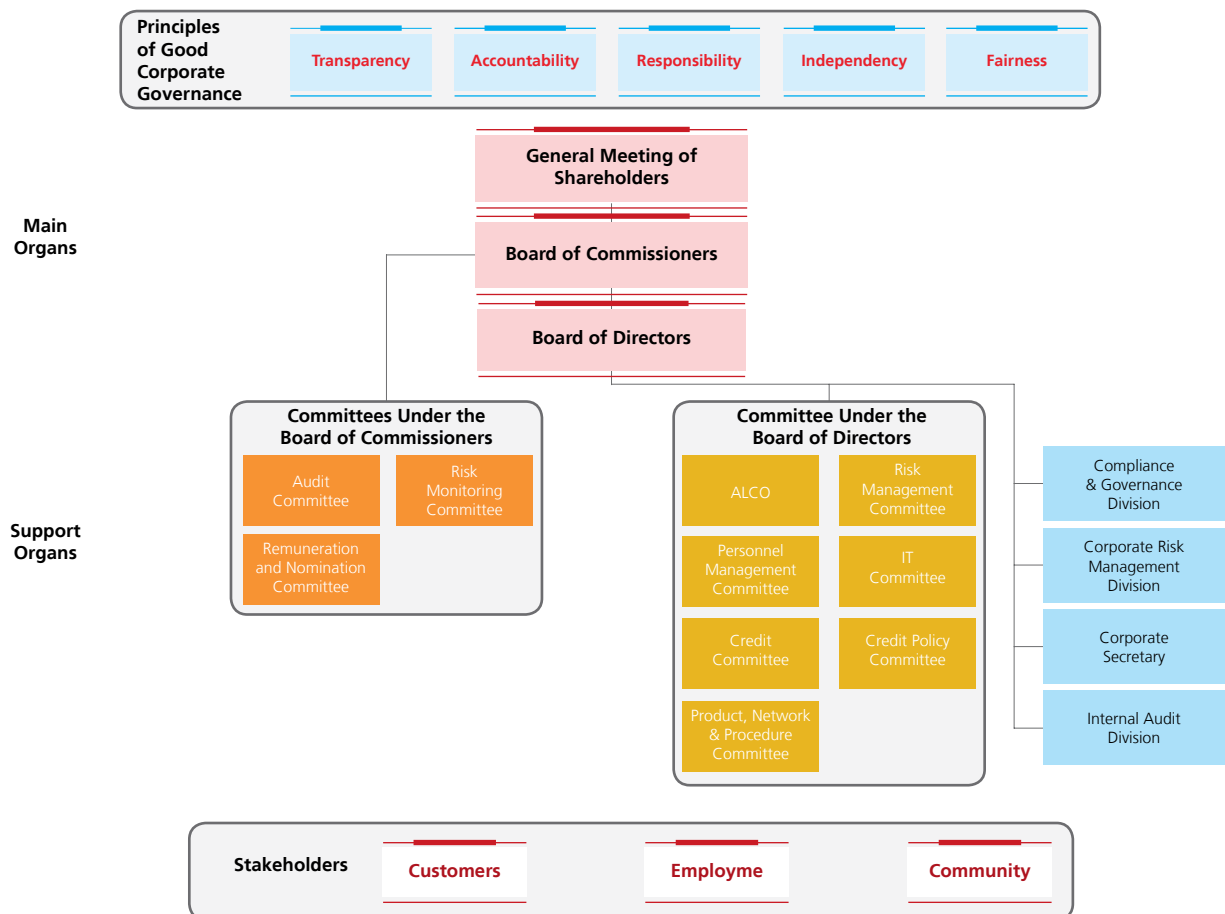
Structure and Mechanism of Corporate Governance

Structure of Company Organs

Based on the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies, the Organs of the Company consists of General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors. Its administration adopts a two tier system, namely Board of Commissioners and

Board of Directors, who have specific authority and responsibility based on their respective functions as specified in the Articles of Association and the laws and regulations. Bank Jatim also had supporting organs under the Board of Commissioners and Directors in order to support the effectiveness of the duties and responsibilities of the Main Organs.

The structure of the corporate organs is presented in the chart below.





Governance Soft Structure

In addition to the structure of the Company's Organs, Bank Jatim also has a governance soft structure which is the provisions set by the Board of Directors to implement GCG principles at all levels of the organization. In its implementation, Bank Jatim has various policies/guidelines in carrying out its functions and duties which are called the Bank's governance infrastructure. The objectives of building the Bank's governance infrastructure are as follows.

No.	Guidelines	Guide Number	Validation Date
1	Articles of Association	Deed of Establishment of PT Bank Pembangunan Daerah Jawa Timur Number 1 dated May 1, 1999 drawn up before R. Sonny Hidayat Julistyo, Bachelor of Law, Notary in Surabaya which was approved by the Minister of Justice Number: C2-8227. HT.01.01.TH.99 dated May 5, 1999	May 1, 1999
		Deed of Statement of Meeting Resolutions Number 22 dated July 13, 2017 drawn up before Siti Nurul Yuliami, Bachelor of Law, Master of Notary, Notary in Surabaya, who received Notification Receipt from the Ministry of Law and Human Rights of the Republic of Indonesia Number: 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 Sitaresmi Puspadevi 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 Sitaresmi Puspadevi 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 Sitaresmi Puspadevi 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 Sitaresmi Puspadevi 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	059/344/DIR/MJR/KEP	December 23, 2020
3	Board of Commissioners Work Guidelines	060/01/DK/KEP	January 15, 2021
4	Directors Work Guidelines	060/044/DIR/CSE/KEP	February 9, 2021
5	Board of Commissioners Committee Implementation Guidelines	060/02/DK/KEP	January 15, 2021
6	Board of Directors Committee Guidelines	060/93/DIR/CSE/KEP	March 16, 2021
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	Standard Operating Procedure Internal Audit Activities	061/03/60/DIR/AUI/KEP	December 27, 2022
10	Product Policy and Internal Audit Activities	060/02/04/DIR/AUI/KEP	November 30, 2021
11	Product Policy and Risk Management Activities	060/02/03/DIR/MJR/KEP	September 10, 2021
12	Guidelines for Mechanisms for Provision of Large Funds (Large Exposures) for Medium & Corporate Credit	057/142/DIR/PGP/PMK/KEP	March 28, 2018

No.	Guidelines	Guide Number	Validation Date
13	Bank Business Plan Guidelines	059/211/DIR/PRS/KEP	August 13, 2020
14	Guidelines for Implementation of Anti-Fraud Strategy	060/22/DIR/AUI/KEP	January 28, 2021
15	Code of Conduct for Work and Business Ethics	060/019/DIR/PRS/KEP	January 26, 2021
16	SOP for State Officials Wealth Report (LHKPN)	060/03/47/DIR/KPT/KEP	November 25, 2021
17	Technical Instructions for Completing State Assets Reports	060/04/54/KPT/SE	December 15, 2021
18	Bank Governance Self-Assessment Technical Guidelines	060/04/56/KPT/SE	December 20, 2021
19	Market Code of Conduct Guidelines	057/008/DIR/KEP/TRE	January 11, 2018
20	Guidelines for Implementing the Market Code of Ethics on Sharia Treasury Activities	057/316/DIR/BIS/KEP	October 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 Resolutions 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.

In addition, Shareholders also have the right to approve remuneration for members of the Board of Directors and Board of Commissioners and to propose agenda items for the GMS.

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. The Company also encourages the involvement of Shareholders outside the GMS through investor relations, one on one meetings and analyst meetings.

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) of the Company consisted of the Annual GMS and Extraordinary GMS. Annual GMS was held annually no later than 6 (six) months after the Company's financial year was closed. Extraordinary GMS could be held at any time based on the need to discuss and decide on the agenda of the meeting.

Rules of GMS

- At the implementation of the GMS, the rules of procedure for the GMS are given to the shareholders who are present.
- The GMS agenda is read out before the GMS begins.
- At the opening of the GMS, the chairperson of the GMS provides an explanation to the shareholders that contains at least:
 - General condition of the Bank;
 - Meeting agenda;
 - Decision-making mechanism related to meeting agenda through voting method; and
 - Procedures for exercising shareholder rights to submit questions and/or opinions.

If the meeting agenda concerns the appointment of members of the Board of Directors and/or members of the Board of Commissioners, the curriculum vitae of prospective members of the Board of Directors and/or members of the Board of Commissioners to be appointed shall be submitted via the Company's website.

The Process of Implementing a GMS and Voting

The GMS is held by making announcements and summons to the Company's Shareholders through the Stock Exchange website and the Company's website in Indonesian and English. Announcement of the GMS shall be made no later than 14 (fourteen) days prior to the summons for the GMS, excluding the date of announcement and the date of the invitation. Summons to the GMS shall be made no later than 21 (twenty-one) days before the GMS, excluding the date of the summons and the date of the GMS.

The summons for the GMS at least contain information on the date of the GMS, the time for holding the GMS, the venue, provisions for shareholders who are entitled to attend the GMS, the agenda of the meeting including an explanation of each agenda item, and information stating that materials related to the agenda of the meeting are available to shareholders from the date of the invitation to the GMS until the GMS is held.

The GMS is chaired by a member of the Board of Commissioners who is appointed by the Board of Commissioners who is appointed by the Board of Commissioners. In the event that all members of

the Board of Commissioners are absent or unable to attend due to any reason that does not need to be proven to a third party, the GMS is chaired by a member of the Board of Directors who is appointed by the Board of Directors. In the event that all members of the Board of Directors are absent or unable to attend, the GMS shall be chaired by shareholders who attend the GMS who are appointed from and by the GMS participants.

The GMS can be held if attended by shareholders or their legal proxies who represent more than ½ (one half) of the total number of valid shares and the decision is approved by more than ½ (one half) of the total shares with voting rights present. in the GMS unless otherwise stipulated in the applicable laws and regulations.

Each shareholder can be represented at the GMS by other holders or a third party with a power of attorney. The power of attorney form has been available on the Company's website since the summons for the GMS. Each share gives the owner the right to cast 1 (one) vote. Voting can be done electronically (poll). All decisions are made based on deliberation to reach consensus. In the event that a decision based on deliberation to reach a consensus is not reached, then the decision is made based on an agreed vote as determined in the articles of association of the Company.

Implementation of Annual GMS For Fiscal Year 2021 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Results
Notifying the Financial Services Authority that a meeting would be held with the letter number: - 061/040/DIR/CSE/SRT date January 31, 2022	Advertising the announcement regarding the Invitation of Meeting to the Shareholders on the website of the Indonesia Stock Exchange, the website of PT Kustodian Sentral Efek Indonesia and the Company's website on February 8, 2022 the Company's website with letter number 061/048/DIR/CSE/Srt dated February 8, 2022	Advertising the Invitation to Shareholders on the Indonesia Stock Exchange website, PT KSEI website, the Company's website on February 23, 2022 the Company's website with letter number 061/054/DIR/CSE/Srt dated February 23, 2022	Held on March 17, 2022, at the Bank Jatim Head Office	The results of the GMS decision using a Notary certificate were submitted on March 17, 2022 on the Company's website. Submission of the Summary of Minutes to the Financial Services Authority number 061/072/DIR/CSE/Srt March 21, 2022 Submission of Minutes to the Financial Services Authority number 061/083/DIR/CSE/Srt April 5, 2022.

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 2021

The Board of Commissioners and Directors of Bank Jatim who attended the 2021 Annual GMS are as follows.

No.	Name	Position	Attendance
1.	Muhammad Mas'ud	Independent Commissioner	Present
2.	Candra Fajri Ananda	Independent Commissioner	Present
3.	Heru Tjahjono	Commissioner	Present
4.	Busrul Iman	President Director, Pgs. Commercial & Corporate Director	Present
5.	Erdianto Sigit Cahyono	Director of Compliance & Risk Management	Present

No.	Name	Position	Attendance
6.	Tonny Prasetyo	Director of IT and Operations	Present
7.	Rizyana Mirda	Director of Business Risk	Present

Decisions and Realization of the Annual GMS for Fiscal Year 2021

First Meeting Agenda

Approval of the Company's Annual Report regarding the Condition and Operation of the Company during the 2021 Financial Year, including the Report on the Implementation of the Supervisory Duties of the Board of Commissioners during the 2021 Financial Year and the Ratification of the Company's Financial Statements for the 2021 Financial Year

The Minutes of the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting Results

In Favor : 13.076.836.318 Shares (99,941%) consisting of 11.934.147.982 Series A Shares and 1.142.688.336 Series B Shares
 Against : 7.200 shares (0,000550%) which are all Series B Shares
 Abstain : 7.704.976 shares (0,058%) which are all Series B Shares

Decision

- Approve and certify:
 - The Company's Annual Report that has been submitted by the Board of Directors for the 2021 Fiscal Year
 - Supervisory Task Report that has been submitted by the Board of Commissioners for Fiscal Year 2021;
 - The Company's Financial Statements for the financial year ended December 31, 2021 which have been audited by the Public Accounting Firm of Kanaka Puradireja, Suhartono in accordance with the Independent Auditor's Report dated January 31, 2022, with a Fair opinion in all material respects
- With the approval and ratification of the Annual Report, Report on the Supervisory Duties of the Board of Commissioners and the Company's Financial Statements for the 2021 Financial Year, the Meeting granted full discharge and release from responsibilities (acquiescence) to all members of the Board of Directors for management actions and to all members of the Board of Directors. Commissioner for supervisory actions that have been carried out during the financial year ending on December 31, 2021 to the extent of such actions reflected in the Company's Financial Statements

Status: Realized

Second Meeting Agenda

Determination of the use of the Company's net profit for the financial year 2021 including the provision of bonuses for employees as well as bonuses and remuneration for the Board of Directors and the Board of Commissioners.

The Minutes of the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting Results

In Favor : 12.887.092.412 Shares (98,490%) consisting of 11.934.147.982 Series A Shares and 952.944.430 Series B Shares
 Against : 197.062.282 shares (1,506%) which are all Series B Shares
 Abstain : 393.800 shares (0,003%) which are all Series B Shares

Decision

- Approved the use of the Company's profits for the financial year 2021 as follows:
 - In the amount of IDR782.457.605.053,02 (seven hundred eighty two billion four hundred fifty seven million six hundred five thousand five hundred three point zero two cents) or 51,37% (fifty one point thirty seven percent) of the net profit for the year Book 2021 is set as cash dividend for Fiscal Year 2021, thus an amount of IDR52,11 (fifty two point eleven rupiah) per share, designated as cash dividend for Fiscal Year 2021 will be distributed in cash and distributed to all shareholders registered in Register of Shareholders of the Company as of March 29, 2022 and will be paid on April 14, 2022. Furthermore, granting power and authority to the Board of Directors to regulate the procedure for the payment of the cash dividend
 - In the amount of IDR740.612.233.364,98 (seven hundred forty billion six hundred twelve million two hundred thirty three thousand three hundred sixty four rupiah point ninety eight cents) or 48,63% (forty eight point sixty three percent) set as General Reserve
- 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 2021, an allowance of IDR380.767.459.605,00 (three hundred eighty billion seven hundred sixty seven million four hundred fifty nine thousand six hundred five rupiah) with the same percentage distribution as the previous year, as follows:
 - Employee bonus of 85% (eighty five percent);
 - 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.
- Granting authority and power to the Board of Commissioners to determine the remuneration of the Company's management, namely the Board of Directors and the Board of Commissioners together with those who assist the duties of the Board of Commissioners including the Sharia Supervisory Board in 2022 by taking into account the proposals from the Remuneration and Nomination Committee and reporting on the Annual Report.

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 2022 Financial Year.

The Minutes of the Meeting stated that there were no Shareholders who asked questions and/or gave opinions

Voting Results

In Favor : 12.740.945.786 Shares (97,373%) consisting of 11.934.147.982 Series A Shares and 806.797.804 Series B Shares
 Against : 343.215.408 shares (2,623%) which are all Series B Shares
 Abstain : 387.300 shares (0,002%) which are all Series B 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 2022 financial year.

Status: Realized

Fourth Meeting Agenda

Changes in the Composition of the Company's Management

The minutes of the meeting stated that the number of shareholders who asked questions and/or gave opinions was 1 person.

Voting Results

In Favor : 12.610.256.158 Shares (96,375%) consisting of 11.893.555.054 Series A Shares and 716.701.104 Series B Shares
 Against : 401.695.608 shares (3,069%) which are all Series B Shares
 Abstain : 72.596.728 shares (0,554%) consisting of 40.592.928 Series A Shares and 32.003.800 Series B Shares

Decision

1. Approve and appoint members of the Board of Commissioners as of the close of the Meeting with the term of office ending at the close of the 4th (fourth) Annual General Meeting of Shareholders from the date of appointment, namely:
 Main Commissioner : SUPRAJARTO;
 Independent Commissioner : SUMARYONO;
 2. Approve and appoint members of the Board of Directors as of the close of the Meeting with the term of office ending at the close of the 5th (fifth) Annual General Meeting of Shareholders from the date of appointment, namely:
 Commercial and Corporate Director : EDI MASRIANTO;
 Director of Consumer Retail and Sharia Business : R. ARIEF WICAKSONO
 3. Honorably dismiss members of the Board of Directors as of the closing of the Meeting with the greatest gratitude for the contribution of energy and thought given while serving as directors, namely:
 Business Risk Director : RIZYANA MIRZA ;
 Director of Finance : FERDIAN TIMUR SATYAGRAHA
 Hence, the composition of the Company's management consisted of: Dewan Komisaris
 Main Commissioner : SUPRAJARTO;
 Independent Commissioner : MUHAMMAD MAS'UD;
 Independent Commissioner : CANDRA FAJRI ANANDA;
 Independent Commissioner : SUMARYONO;
 Commissioner : HERU TJAHJONO;
- BOARD OF DIRECTORS**
 President Director : BUSRUL IMAN;
 Director of Compliance and Risk Management : ERDIANTO SIGIT CAHYONO;
 Director of IT and Operations : TONNY PRASETYO;
 Commercial and Corporate Director : EDI MASRIANTO
 Director of Consumer Retail and Sharia Business : R. ARIEF WICAKSONO;
 Director of Finance : -
 Business Risk Director : -
4. Grant authority to the Governor of East Java to carry out the selection of candidates for management of the Company of which term of office ended and/or in the event of a vacancy.
 5. Regarding filling the vacant positions of members of the Board of Directors, approval should be sought at the nearest General Meeting of Shareholders to be held by the Company, considering the current conditions. This can 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.
 6. Grant power of attorney to the Board of Commissioners to carry out the distribution of tasks to the existing Directors.
 7. Grant power and authority to the Board of Directors with the right of substitution to carry out all necessary processes and actions including notification to the regulator as required by the applicable laws and regulations.

Status: Realized

Implementation of The Extraordinary GMS In 2022 and Its Realization

Information	Announcement	Invitation	Implementation	GMS Results
Notification of the meeting to be held to the Financial Services Authority with letter number: 061/315/DIR/CSE/Srt on October 21, 2022	Advertise the announcement regarding the Invitation of Meeting to the Shareholders on the website of the Indonesia Stock Exchange, website of PT Kustodian Sentral Efek Indonesia, website of the Company on October 31, 2022	Advertise the Invitation to the Shareholders on the Indonesia Stock Exchange website, PT KSEI website, the Company's website on November 15, 2022	Held on December 7, 2022, at the Bank Jatim Head Office	<ul style="list-style-type: none"> - Submission of the Summary of Minutes to the Financial Services Authority number 061/408/DIR/CSE/Srt December 8, 2022 - Submission of Minutes to the Financial Services Authority number 061/432/DIR/CSE/Srt December 27, 2022

Vote Counting Independent Parties

The Company appointed independent parties, namely Notary Sitaresmi Puspawati Subianto and PT Datindo Entrycom in calculating and/or validating votes.

Attendance Recapitulation at The 2022 Extraordinary GMS

The Board of Commissioners and Directors of Bank Jatim presented at the 2022 Extraordinary GMS were as follows.

No.	Name	Position	Attendance
1.	Suprajarto	President Commissioner	Present
2.	Muhammad Mas'ud	Independent Commissioner	Present
3.	Candra Fajri Ananda	Independent Commissioner	Present
4.	Sumaryono	Independent Commissioner	Present
5.	Heru Tjahjono	Commissioner	Present
6.	Busrul Iman	President Director	Present
7.	Tonny Prasetyo	Director of IT and Operation	Present
8.	Edi Masrianto	Director of Commercial & Corporate	Present
9.	R. Arief Wicaksono	Director of Consumer, Retail and Sharia Business	Present

Decision and Realization of The Extraordinary GMS In 2022

First Meeting Agenda	
Changes in the Composition of the Company's Management	
The minutes of the meeting stated that the number of shareholders who asked questions and/or gave opinions was 2 people.	
Voting Results	
In Favor	: 12.197.602.356 Shares (96,21%) consisting of 11.651.177.942 Series A Shares and 546.424.414 Series B shares
Against	: 263.558.908 shares (2,07%) which are all Series B Shares
Abstain	: 215.795.795 shares (1,70%) consisting of 215.763.995 Series A Shares and 31.800 Series B shares

**Decision**

Changes in the Composition of the Company's Management

1. Approve and appoint members of the Board of Directors as of the close of the Meeting with the term of office ending at the close of the 5th (fifth) Annual General Meeting of Shareholders from the date of appointment, namely:

Directors:

- Mr. ZULHELFI ABIDIN as IT and Digital Director;
 - Mr. EKO SUSETYONO as Director of Risk Management;
2. Respectfully dismiss Mr. ERDIANTO SIGIT CAHYONO from his position as Director of Compliance and Risk Management as of the closing of the Meeting with thanks for the contribution of energy and thoughts given while serving in the Company.

With the changes above, the composition of the Board of Directors was adjusted to the change in the nomenclature of the Board of Directors in the Company's Organizational Structure as follows:

Directors

President Director : BUSRUL IMAN;
 Director of Micro, Retail & Medium : R. ARIEF WICAKSONO;
 Compliance Director : -
 Director of Finance, Treasury & Global Services : EDI MASRIANTO;
 Director of Operations : TONNY PRASETYO;
 IT & Digital Director : ZULHELFI ABIDIN;
 Director of Risk Management : EKO SUSETYONO.

3. Grant power of attorney to the Board of Commissioners to distribute the duties of vacant Directors to existing Directors.
4. Grant power and authority to the Board of Directors with the right of substitution to carry out all necessary processes and actions, including notifications to the regulators as required in the applicable laws and regulations.

Status: Realized

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	- 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

No.	Name	Position	Attendance
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 Shares

Decision

1) Approve and certify:

- The Company's Annual Report that has been submitted by the Board of Directors for the 2020 Fiscal Year;
 - Supervisory Task Report that has been submitted by the Board of Commissioners for Fiscal Year 2020;
 - 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 Shares
Abstain : 14,700 shares (0.0001%) which are all Series B Shares

Decision

1. Approved the use of the Company's profits for the financial year 2020 as follows:

- In the amount of IDR733,507,081,305.70 (seven hundred thirty three billion five hundred seven million eighty one thousand 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 IDR48.85 (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.
 - In the amount of IDR755,454,548,814.30 (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 IDR372,823,445. 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:
- Employee bonus of 85% (eighty five percent);
 - 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 Shares
 Abstain : 14.400 shares (0.0001%) which are all series B 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 series B shares
 Abstain : 17,412,327 shares (0.1326%) consisting of 17,397,927 series A shares and 14,400 series B shares

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: Teralisai

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: Realized

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 Shares
 Abstain : 26,808,199 shares (0.2042%) consisting of 26,792,899 Series A shares and 15,300 series B shares

Decision

1. 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..
2. 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
3. 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.
4. 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.
5. 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

Board of Directors

The Board of Directors is an organ of the Company which is authorized and responsible for carrying out all actions related to the management and ownership of the Bank for the interest of the Bank in accordance with the Bank's aims and objectives.

Duties and Responsibilities of The Board of Directors

The duties and responsibilities of the Board of Directors were stipulated in the Board of Directors Work Guidelines. The duties and responsibilities of the Board of Directors are as follows:

1. The Board of Directors is in charge of running and being responsible for the management of the Company for the benefit of the Company in accordance with the aims and objectives of the Company as stipulated in the Articles of Association.
2. Each member of the Board of Directors must carry out their duties and responsibilities in good faith, with full responsibility and prudence.
3. Each member of the Board of Directors is jointly and severally responsible for the loss of the issuer or public company caused by errors or negligence of the members of the Board of Directors in carrying out their duties.
4. Members of the Board of Directors cannot be held liable for the loss of the issuer or company if it can prove:
 - a. The loss is not due to an error or negligence.
 - b. Has carried out management in good faith, full of responsibility and prudence for the interests and in accordance with the aims and objectives of the Company.
 - c. Has no conflict of interest, either directly or indirectly, over management actions that result in losses.
 - d. Has taken steps to prevent the loss from arising or continuing.

Rights and Authority of The Board of Directors

The rights and authority of the Board of Directors are as follows:

1. Members of the Board of Directors are given a salary including the facilities and/or allowances. The amount of salary along with the facilities and/or allowances of members of the Board of Directors is determined based on the resolution of the GMS and the authority of the GMS is delegated to the Board of Commissioners.
2. The Board of Directors appoints and dismisses the Bank's employees based on the Bank's employment regulations and prevailing laws and regulations.
3. The Board of Directors determines the organizational structure and work procedures of the Bank by reporting to the commissioners.
4. The Board of Directors has the right to represent the company, both inside and outside the court on all matter, bind the company with other parties and vice versa, conduct out all actions in every event, both regarding management and ownership.
5. The Board of Directors in writing may hand over the power of representing the Bank to a person or several members of the Board of Directors specifically appointed or to one or more Bank employees, either alone or together or to another person or entity.
6. The division of management tasks and authorities among the members of the Board of Directors is determined based on a decision of the GMS, in the event that the GMS does not stipulate, the distribution of duties and authority of the members of the Board of Directors is determined based on the decision of the Board of Directors.
7. The Board of Directors based on applicable legislation can do the following:
 - a. Issue bonds.
 - b. Buy, sell or otherwise obtain or release rights to inventory items belonging to the bank.

- c. Binding the Bank as a guarantor of third party obligations.
- d. Mortgaging Bank goods.
- e. Equity participation in other companies insofar as they do not conflict with applicable laws and regulations.
- f. Set up new business units.
8. The Board of Directors for certain actions has the right to appoint one or more representatives or proxies by giving him the power regulated in a power of attorney. Members of the Board of Directors are prohibited from giving general power of attorney to other parties which results in the transfer of duties and functions of the Board of Directors.
9. In terms of the Company has contrary interests to the personal interests of the Board of Directors member, then the Company will be represented by another member of the Board of Directors and in the event that the Company has an interest that is contrary to the interests of all members of the Board of Directors, in this case the Company is represented by the Commissioner.
10. The Board of Directors has the right to write off claims on interest, fines and / or other costs other than the principal amount of credit while adhering to the prevailing laws and regulations.
11. The Board of Directors had the right to receive remuneration as a reward determined and given to members of the Board of Directors, both permanent and variable, in cash or in cash in accordance with their duties, powers and responsibilities.

Term of Office of The Board of Directors

The term of office of members of the Board of Directors 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

1. The Company is managed and led by a Board of Directors consisting of at least 3 (three) Directors, one of whom is appointed as President Director.
2. The members of the Board of Directors are appointed and dismissed by the GMS.
3. Detailed procedures for the appointment of members of the Board of Directors will be stated in a resolution of the GMS.

General Requirement

To be appointed as a member of the Board of Directors, the following requirements are met:

1. Healthy as physically and spiritually.
2. Have expertise, integrity, leadership, experience, honesty, good behavior, and high dedication to advancing and developing the company.
3. Understand the implementation of regional government.
4. Understand the management of the company.
5. Have adequate knowledge in the field of business of the company.
6. The minimum degree is Strata I (S-1).
7. Minimum 5 (five) years of work experience in the managerial field of a legal entity company and has led a team.
8. Never been a member of the Board of Directors, member of the Supervisory Board, or member of the Board of Commissioners who was found guilty of causing the business entity to be led to be declared bankrupt.
9. Never been punished for committing a crime that was detrimental to state finances or regional finances.
10. Not currently undergoing criminal sanctions.
11. Not being an administrator of a political party, candidate for regional head or candidate for deputy regional head, and/or candidate for member of the legislature.
12. Not a member of the Indonesian National Army Forces, Indonesian National Police, and/or Civil Servant, except for Civil Servants assigned as temporary Directors as regulated in East Java Provincial Regulation Number 8 of 2019 concerning Regional Owned Enterprises.
13. Has fulfilled 3 (three) kinds of requirements, namely Formal Requirements, Material Requirements, and Other Requirements, among others:
 - a. Formal Terms

Indonesian Citizens who:

 - Trust in the Almighty God.
 - Loyal and obedient to the state and government of the Republic of Indonesia.
 - Not involved directly or indirectly in treasonous activities to the Republic of Indonesia.

Individuals who are capable of carrying out legal actions, unless within 5 (five) years prior to the appointment the person concerned has:

 - Declared bankrupt.
 - Being a member of the Board of Directors or Board of Commissioners who is found guilty of causing a company to be declared bankrupt.
 - b. Material Terms
 - Having competence, good moral integrity. The person concerned had never been involved in:
 - Engineering acts and deviant practices in the management of the company/institution where the person concerned worked prior to nomination (behaving dishonestly).
 - Acts of default in accordance with the commitments that had been agreed with the company/institution where the person concerned works prior to nomination.
 - Actions categorized as being able to provide unlawful benefits in the company/institution where the person concerned works prior to nomination.

- Acts categorized as a violation of the provisions relating to the principles of healthy company management (bad behavior).
- Having expertise in banking or financial institutions, as evidenced by a track record of at least the last 5 (five) years and attach a photocopy of a certificate from training in banking or financial institutions that the person had attended.
- The majority of members of the Board of Directors must have at least 5 (five) years of experience in the operational field, the lowest being a bank executive officer.
- Having a high commitment to the progress and development of the company as well as a commitment to comply with laws and regulations.
- Did not have non-performing credit/bad credit.
- Having a risk management competency test certificate level 5 (five), by attaching a BSMR/LSPP certificate. Candidates who had level 4 (four) certificates could register and immediately complete BSMR/LSPP level 5 (five) to get approval from the Financial Services Authority.
- Psychologically, the person concerned had an adequate level of Intellectual, emotional, and spiritual intelligence to carry out the duties as a member of the Board of Directors.
- c. Other Terms
 - Willing to comply with the prevailing laws and regulations, especially in the banking sector.
 - Having no family relationship up to the second degree including fellow members of the Board of Directors or members of the Board of Commissioners.
 - Passing the fit and proper test in accordance with the provisions of the Financial Services Authority regarding the fit and proper test.
- 14. Candidates for the Board of Directors may come from Internal and/or external Bank Jatim.
 - a. Candidates for the Board of Directors from the Bank's internal parties must meet the following requirements:
 - Active executive officers who were one level below the Board of Directors.
 - Serving at least 2 (two) different executive positions.
 - b. For candidates for directors from external parties, the Bank must meet the following requirements:
 - Having experience as a professional by serving as an Executive Officer in a Bank/Non-Bank financial institution that operates nationally and/or has assets at least equal to the assets of Bank Jatim for the last 5 (five) years.
 - Having knowledge and/or expertise in the field required by the Issuer or Public Company.
- 15. Having a good financial track record as evidenced by documents that have been issued by the authorized agency.

Special Requirements

The members of the Board of Directors who will be appointed must meet special requirements, the details of which will be outlined in a GMS resolution. The company could develop special requirements which were details of competence and other things required for prospective members of the Board of Directors according to the needs of the company which would then be submitted and stated in the resolution of the GMS;

1. Never been a member of the Board of Directors and/or a member of the Board of Commissioners who during the tenure:
 - a. Never holding an annual GMS.
 - b. The responsibilities as a member of the Board of Directors and/or a member of the Board of Commissioners had never been accepted by the GMS or had not provided accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS.
 - c. Having caused a company obtaining a permit, approval, or registration from the financial services authority to fail fulfilling the obligation to submit an annual report and/or financial report to the Financial Services Authority.
2. Especially for candidates for Directors proposed to be candidates for President Director were officials who had one level below the President Director and were still active as Directors of National Commercial Banks and/or had assets at least equal to the assets of Bank Jatim.

Board of Directors Guidelines and Work Procedures

The Board of Directors has a 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 February 09, 2021 concerning the Fourth Amendment to the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 056/006/DIR/CSE/KEP dated January 17, 2017 concerning the Work Guidelines for the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk. This guideline is evaluated periodically and updated with reference to the prevailing rules and regulations.

The Board of Directors work guidelines and procedures are binding for each member of the Board of Directors so that the Board of Directors can carry out the management of the Company efficiently, effectively, transparently, independently and accountably. The basis for the preparation of the guidelines for the work rules of the Board of Directors is the Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies, OJK Regulations relating to the Board of Directors and Board of Commissioners of Issuers or Public Companies, the Company's Articles of Association and other regulations.



The contents of the Board of Directors work code of conduct include the following:

Governance Structure

1. Organizational Structure of the Board of Directors
2. Functions of the Board of Directors
3. Functions of the Board of Directors
4. Duties, Obligations, Authorities, Responsibilities
5. Independence and Independence of the Board of Directors

Governance Process

1. Position Ethics for the Board of Directors
2. Description of the responsibilities of the Board of Directors
3. Directors' rights

4. Determination of the Company Management Policy for the Board of Directors
5. Delegation of Authority among the Directors of the Company
6. Division of duties of the Board of Directors
7. Procedures related to the Division of Duties of the Board of Directors
8. Board of Directors Meeting
9. Board of Directors Committee
10. Working relationship between the Board of Commissioner and the Board of Directors
11. Capabilities Orientation and Improvement Program

Governance Outcome

1. Report
2. Document Distribution

Duties of the Board of Directors

The Duties of the Board of Directors are as follows.

Table of Duties of the Board of Directors

Name	Position	Term of Office in 2022	Task field
Busrul Iman	President director	January 1, 2022 – July 14, 2022	Coordinating the implementation of Corporate Secretary and Internal Audit Division activities.
		July 14, 2022 – present	Coordinating the implementation of Corporate Secretary, Internal Audit Division and Human Capital Division activities.
Rizyana Mirda*	Director of Business Risk	January 1, 2022 – March 17, 2022	Coordinating the implementation of the activities of the Business Risk Division and the Credit Rescue and Settlement Division.
Tonny Prasetyo	Director of IT and Operation	January 1, 2022 – December 7, 2022	Coordinating the activities of the General Division, Information Technology Division and Operations Division.
	Director of Operations	December 7, 2022 – December 13, 2022	Coordinating the activities of the General Division and Operations Division.
	Pgs Director of Compliance	December 13, 2022 – present	Coordinating the implementation of the activities of the Legal Division and the Compliance and Governance Division.
Ferdian Timur Satyagraha**	Director of Finance	January 1, 2022 – January 14, 2022	Coordinating 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	January 1, 2022 – December 7, 2022	Coordinating the implementation of the activities of the Corporate Risk Management Division, Compliance and Governance Division, Legal Division and Human Capital Division
R. Arief Wicaksono	Director of Consumer, Retail and Sharia Business	March 17, 2022– December 7, 2022	Coordinating the implementation of the SEVP activities of the Sharia Business Unit, Sharia Business Division, Consumer Loan Division and the Loan, Micro, Retail and Program Division.
	Director of Micro, Retail and Medium	December 7, 2022 – present	Coordinating the implementation of the activities of the Retail and Medium Micro Loan Division, the Consumer Loan Division and the Sharia Business Division.
Edi Masrianto	Director of Commercial & Corporate	March 17, 2022 – December 7, 2022	Coordinating the implementation of the activities of the Commercial, Corporate and Syndicated Loan Division and the Funds and Services Division.
	Director of Finance, Treasury & Global Services	December 7, 2022 – present	Coordinating the implementation of the activities of the Commercial, Corporate and Syndicated Loan Division, Accounting and Financial Management Division, Treasury Division, Funding and Services Division and Strategic Planning and Performance Management Division.
Eko Susetyono	Director of Risk Management	December 7, 2022 – present	Coordinating the implementation of the activities of the Risk Management Division, Credit Risk Division and Credit Recovery and Settlement Division.
Zulhelfi Abidin	Director of IT & Digital	December 7, 2022 – present	Coordinating the implementation of Information Technology Division activities.
	Concurrently Pgs. Director of Operations	December 13, 2022 – present	Coordinate the implementation of the activities of the General Division and the Operations Division

*Stop serving since the closing of the 2021 Annual GMS on March 17, 2022

**Resigned on January 14, 2022 and stopped serving since the closing of the 2021 Annual GMS on March 17, 2022

*** Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

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:

1. 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.
2. 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.
3. The majority of members of the Board of Directors were prohibited from having family relationships to the second degree with fellow members of the Board of Directors and/or with members of the Board of Commissioners.

Table of Concurrent Position of Board of Directors

Name	Position	Term of Office in 2022	Position in Other Companies/ Others Agencies	Name of Company / Other Agencies
Busrul Iman	President Director	January 1, 2022– present	-	-
Rizyana Mirda*	Director of Business Risk	January 1, 2022 – March 17, 2022	-	-
Tonny Prasetyo	Director of IT and Operation	January 1, 2022 – December 7, 2022	-	-
	Director of Operations	December 7, 2022 – December 13, 2022	-	-
	Pgs Director of Compliance	December 13, 2022 – present	-	-
Ferdian Timur Satyagraha**	Director of Finance	January 1, 2022 – January 14, 2022	-	-
Erdianto Sigit Cahyono***	Director of Compliance and Risk Management	January 1, 2022 – December 7, 2022	-	-
R. Arief Wicaksono	Director of Consumer, Retail and Sharia Business	March 17, 2022– December 7, 2022	-	-
	Director of Micro, Retail and Medium	December 7, 2022 – present	-	-
Edi Masrianto	Director of Commercial & Corporate	March 17, 2022 – December 7, 2022	-	-
	Director of Finance, Treasury & Global Services	December 7, 2022 – present	-	-
Eko Susetyono	Director of Risk Management	December 7, 2022 – present	-	-
Zulhelfi Abidin	Director of IT & Digital	December 7, 2022 – present	-	-
	Concurrently Pgs. Director of Operations	December 13, 2022 – present	-	-

*Stop serving since the closing of the 2021 Annual GMS on March 17, 2022

**Resigned on January 14, 2022 and stopped serving since the closing of the 2021 Annual GMS on March 17, 2022

*** Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

Management of Conflicts of Interest In The Board of Director

Conflict of interest arrangements had been determined through the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 059/222/DIR/KPT/KEP dated August 18, 2020 concerning Guidelines for Implementation of Conflicts of Interest for PT Bank Pembangunan Daerah Jawa Timur Tbk. This conflict of interest regulation is intended so that the decisionmaking process and its implementation are carried out in a manner of transparency, accountability, responsibility, independence and fairness, so that the interests of the Bank and stakeholders are not harmed and can still be protected.

In the event that the Bank has a conflict of interest with the personal interest of a member of the Board of Directors, the Bank will be represented by another member of the Board of Directors and in the event that the Bank has an interest that conflicts with the interests of all members of the Board of Directors, in this case the Bank will be represented by the Board of Commissioners.



In the event of a conflict of interest, the Directors who have a conflict of interest do not use their rights/authority in making decisions. Members of the Board of Directors are prohibited from taking actions that may harm the Bank or reduce the Bank's profits and must disclose the conflict of interest referred to in every decision.

Meeting of The Board of Directors

Meeting Policy

The policy of the Board of Directors' Meeting of PT Bank Pembangunan Daerah Jawa Timur Tbk is as follows:

1. Financial Services Authority Regulation (POJK) Number 33/POJK.04/2014 Date December 8, 2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies;
 2. Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 060/044/DIR/CSE/KEP Date 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 Date January 17, 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 2022, the agenda, dates and participants of the Board of Directors Meeting are as follows.

Table of Board of Directors Meeting

No.	Date	Agenda	Meeting Participants	Presence	Reasons for Absence
1.	January 10, 2022	1. Progress of Audit Findings. 2. Financial performance. 3. Organizational Structure Changes. 4. Fulfillment of Echelon 1 & 2 Officials.	Busrul Iman Rizyana Mirda Tonny Prasetyo Ferdian Timur Satyagraha Erdianto Sigit Cahyono	Present Present Present Present Present	

No.	Date	Agenda	Meeting Participants	Presence	Reasons for Absence
2.	January 21, 2022	1. Board of Directors Assessment Procedure on the Performance of Board of Directors Committees. 2. Follow-up on the Evaluation of the Board of Directors Meeting December 22, 2021.	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Not Present	Carrying out the Hajj
3.	February 21, 2022	1. Follow-up Evaluation of the Board of Directors Meeting January 21, 2022 (Board of Directors Assessment of the Performance of the Board of Directors Committees in 2021) 2. Follow-up on the Evaluation of the Board of Directors Meeting on January 10 & 21, 2022	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Not Present	Carrying out the Hajj
4.	March 8, 2022	Preparation for the 2021 Annual GMS	Busrul Iman	Present	
			Rizyana Mirda	Present	
			Tonny Prasetyo	Present	
			Ferdian Timur Satyagraha	Present	
			Erdianto Sigit Cahyono	Present	
5.	April 12, 2022	1. Follow-up of Board of Directors Meetings on February 21, 2022 and March 8, 2022 2. Financial performance 3. Distribution of Fostered Branch Offices 4. Equity Participation Plan 5. Improvement of Organizational Structure	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Erdianto Sigit Cahyono	Present	
			Edi Masrianto	Not Present	Sick
			R. Arief Wicaksono	Present	
6.	May 19, 2022	East Java Bank Performance Evaluation	Busrul Iman	Present	
			Tonny Prasetyo	Not Present	Business Travel Assignments
			Erdianto Sigit Cahyono	Not Present	Perform Umrah Worship
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
7.	June 20, 2022	1. Follow up on Board of Directors Meetings on April 12, 2022 and May 19, 2022 2. PT Bank Jawa Timur Performance Evaluation	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Erdianto Sigit Cahyono	Not Present	Perform Umrah Worship
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
8.	July 8, 2022	1. PT Bank Jawa Timur Performance Evaluation 2. Organizational Structure Changes 3. Information on the Board of Directors' Work Program 4. Preparation for the Republic of Indonesia & Bank Jatim Anniversary in 2022	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Erdianto Sigit Cahyono	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Not Present	Permission
9.	August 15, 2022	1. Equity Participation Corporation Action Plan 2. Corporate Action Plan for Equity Participation in Eastern Indonesia Regional Development Banks	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Erdianto Sigit Cahyono	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
10.	August 22, 2022	Mapping of Bank Jatim Sub-Branch Office Network in Surabaya	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Erdianto Sigit Cahyono	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	
11.	September 5, 2022	Follow-up on Evaluation of Board of Directors Meetings June 20 and July 8, 2022	Busrul Iman	Present	
			Tonny Prasetyo	Present	
			Erdianto Sigit Cahyono	Present	
			Edi Masrianto	Present	
			R. Arief Wicaksono	Present	

No.	Date	Agenda	Meeting Participants	Presence	Reasons for Absence
12.	September 15, 2022	Follow-up on the Evaluation of the Board of Directors and Board of Commissioners Meeting on September 7, 2022	Busrul Iman Tonny Prasetyo Erdianto Sigit Cahyono Edi Masrianto R. Arief Wicaksono	Present Present Present Present Present	
13.	September 22, 2022	EGMS Preparation	Busrul Iman Tonny Prasetyo Erdianto Sigit Cahyono Edi Masrianto R. Arief Wicaksono	Present Not Present Present Not Present Present	Permission Permission
14.	October 4, 2022	PT Bank Jatim Financial Performance	Busrul Iman Tonny Prasetyo Erdianto Sigit Cahyono Edi Masrianto R. Arief Wicaksono	Present Present Present Present Present	
15.	November 7, 2022	Preparation for the 2022 Bank Jatim Extraordinary General Meeting of Shareholders	Busrul Iman Tonny Prasetyo Erdianto Sigit Cahyono Edi Masrianto R. Arief Wicaksono	Present Present Present Present Present	
16.	November 22, 2022	Follow-up of Board of Directors and Board of Commissioners Meetings on October 18, 2022 & November 17, 2022	Busrul Iman Tonny Prasetyo Erdianto Sigit Cahyono Edi Masrianto R. Arief Wicaksono	Present Present Present Present Present	
17.	November 28, 2022	1. Follow-up to the Board of Directors Meeting on November 22, 2022 2. Bank Jatim Extraordinary General Meeting of Shareholders Scenario in 2022	Busrul Iman Tonny Prasetyo Erdianto Sigit Cahyono Edi Masrianto R. Arief Wicaksono	Present Present Present Present Present	
18.	December 12, 2022	Follow-up to the Board of Directors and Board of Commissioners Meeting on November 29, 2022	Busrul Iman Tonny Prasetyo Edi Masrianto R. Arief Wicaksono Zulhelfi Abidin Eko Susetyono	Present Not Present Present Not Present Present Present	Permission Permission

The agenda and meeting participants of the combined Board of Commissioners and the Board of Directors have been presented in the Board of Commissioners' Meeting section of the Corporate Governance Chapter of this annual report.

Frequency and Attendance of Meeting

Table of Frequency and Attendance of Directors' Meetings

Name	Position	Term of Office	Board of Directors Meeting			Joint Meetings of the Board of Commissioners and Directors and Board of Commissioners Meetings Inviting Field Directors			GMS		
			Number and Percentage of Attendance			Number and Percentage of Attendance			Number and Percentage of Attendance		
			Number of Meetings	Number of Attendance	Percentage	Number of Meetings	Number of Attendance	Percentage	Number of Meetings	Number of Attendance	Percentage
Busrul Iman	President director	January 1, 2022– present	18	18	100%	15	15	100%	2	2	100%
Rizyana Mirda *	Business Risk Director	January 1 – March 17, 2022	4	3	75%	3	3	100%	1	1	100%

Name	Position	Term of Office	Board of Directors Meeting			Joint Meetings of the Board of Commissioners and Directors and Board of Commissioners Meetings Inviting Field Directors			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	Persentase	Number of Meetings	Number of Attendance	Percentage
Tonny Prasetyo	IT and Operations Director	1 Januari – 7 Desember 2022	18	16	89%	16	16	100%	2	2	100%
	Director of Operations	7 Desember 2022 – saat ini									
	Acting Compliance Director	13 Desember 2022 – saat ini									
Ferdian Timur Satyagraha**	Finance Director	1 Januari 2022 – 14 Januari 2022	4	1	25%	-	-	-	-	-	-
Erdianto Sigit Cahyono***	Compliance and Risk Management Director	1 Januari – 7 Desember 2022	18	17	94%	16	16	100%	1	1	100%
R. Arief Wicaksono	Consumer, Retail and Sharia Business Director	17 Maret– 7 Desember 2022	14	10	71%	13	11	85%	1	1	100%
	Micro, Retail and Medium Director	7 Desember 2022 – saat ini									
Edi Masrianto	Finance, Treasury & Global Services Director	17 Maret– 7 Desember 2022	14	12	86%	12	12	100%	1	1	100%
	Commercial & Corporate Director	7 Desember 2022 – saat ini									
Eko Susetyono	Risk Management Director	7 Desember 2022 – saat ini	1	1	100%	1	1	100%	-	-	-
Zulhelfi Abidin	Director of IT & Digital	December 7, 2022 – present	1	1	100%	1	1	100%	-	-	-
	Concurrently Pgs. Director of Operations	December 13, 2022 – present									

*Stop serving since the closing of the 2021 Annual GMS on March 17, 2022

**Resigned on January 14, 2022 and stopped serving since the closing of the 2021 Annual GMS on March 17, 2022

*** Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

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:

1. Members of the Board of Directors had adequate competence and were relevant to their positions to carry out their duties and responsibilities and were able to implement their competencies in carrying out their duties and responsibilities.
2. Members of the Board of Directors had the willingness and ability to carry out continuous learning in order to increase knowledge about banking and the latest developments related to the financial sector or other fields that support the implementation of their duties and responsibilities.



The training and/or competency improvement that has been attended by the Board of Directors during 2022 is as follows.

Name	Position	Term of Office	Types of Training and Competency Development/ Training Materials	Implementation Time and Place	Organizer
Busrul Iman	President Director	January 1, 2022– now	Top Leader Communication Forum with Agile Theme - Resilience Motivation and Team Building Program	Probolinggo, March 18, 2022	Go Orbit
			Risk Management Certification Refreshment Program	Jakarta, March 25, 2022	Strategic Development Group (SDG)
Rizyana Mirda*	Business Risk Director	January 1, 2022 – March 17, 2022	-	-	-
Tonny Prasetyo	Director of IT and Operations	January 1, 2022 – December 7, 2022	Top Leader Communication Forum with Agile Theme - Resilience Motivation and Team Building Program	Probolinggo, March 18, 2022	Go Orbit
	Director of Operations	December 7, 2022 – present	Risk Management Certification Refreshment Program	Jakarta, March 25, 2022	Strategic Development Group (SDG)
	Acting Compliance Director	December 13, 2022 – present	General Banking Certification Refreshment Program	Online, April 22, 2022	Banking Professional Certification Institute (LSPP)
Ferdian Timur Satyagraha**	Director of Finance	January 1, 2022 - January 14, 2022	-	-	-
Erdianto Sigit Cahyono***	Director of Compliance and Risk Management	January 1, 2022 – December 7, 2022	Top Leader Communication Forum with Agile Theme - Resilience Motivation and Team Building Program	Probolinggo, January 13, 2022	Go Orbit
			Becoming Extraordinary Leader	Surabaya, February 14, 2022	Tampubolon youth
			Risk Management Certification Refreshment Program	Jakarta, March 15, 2022	Strategic Development
			Metaverse, Cryptocurrency - Future Opportunities and Challenges	Surabaya, April 16, 2022	Groups (SDGs)
			Level 3 Compliance Certification Workshop (Executive)	Jakarta, May 17, 2022	Mr. Ery Punta Hendraswara - SEVP PT Telkom
R. Arief Wicaksono	Director of Consumer, Retail and Sharia Business	March 17, 2022– December 7, 2022	Online Corporate Culture Training Workshop for Change Leaders	Online, February 15, 2022	IBI (Indonesian Bankers Association)
	Director of Micro, Retail and Medium	December 7, 2022 – present	Top Leader Communication Forum with Agile Theme - Resilience Motivation and Team Building Program	Probolinggo, March 18, 2022	Go Orbit
			Becoming Extraordinary Leader	Surabaya, March 21, 2022	Tampubolon youth
			Risk Management Certification Refreshment Program	Jakarta, March 25, 2022	Strategic Development Group (SDG)
Edi Masrianto	Director of Commercial & Corporate	March 17, 2022 – December 7, 2022	Top Leader Communication Forum with Agile Theme - Resilience Motivation and Team Building Program	Probolinggo, March 18, 2022	Go Orbit
	Director of Finance, Treasury & Global Services	December 7, 2022 – present	Becoming Extraordinary Leader	Surabaya, March 21, 2022	Tampubolon youth
			Director of Risk Management	December 7, 2022 – present	Strategic Development Group (SDG)
Eko Susetyono	Director of Risk Management	December 7, 2022 – present	-	-	-
Zulhelfi Abidin	Director of IT & Digital	December 7, 2022 – present	-	-	-
	Concurrently Pgs. Director of Operations	December 13, 2022 – present	-	-	-

*Stop serving since the closing of the 2021 Annual GMS on March 17, 2022

**Resigned on January 14, 2022 and stopped serving since the closing of the 2021 Annual GMS on March 17, 2022

*** Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

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 2022, there were the appointments of new Directors as follows:

1. The Annual General Meeting of Shareholders for Fiscal Year 2021 on March 17, 2022 appointed new Directors, namely:
 - a. R. Arief Wicaksono as Director of Consumer, Retail and Sharia Business (there was a change in nomenclature to become Director of Micro, Retail and Medium at the Extraordinary General Meeting of Shareholders on December 7, 2022)
 - b. Edi Masrianto as Commercial and Corporate Director (became Director of Finance, Treasury & Global Services)

The new Directors orientation program was implemented as follows:

- 1) On March 25, 2022:
The Executive Summit of the Board of Commissioners and Directors which was held carried the theme Good Corporate Governance as the key to a healthy and successful company with the scope of discussion regarding tips so that Bank Jatim can obtain a GCG score with a composite predicate of 2 "good" or even obtain a composite predicate of 1 "very Good".
- 2) On March 18-19, 2022:
The Jatim Improvement Meeting Program was held in the form of the Bank Jatim Top Leader Communication Forum in 2022 with the scope covering activities to achieve the vision, mission of Bank Jatim and maintain the existing corporate culture at Bank Jatim as well as signing the commitment of the Board of Commissioners, Directors and Division Leaders.
2. The Extraordinary General Meeting of Shareholders for Fiscal Year 2022 December 7, 2022 appointed new Directors, namely:
 - a. Eko Susetyono as Director of Risk Management
 - b. Zulhelfi Abidin as Director of Information Technology

The orientation program for the new Directors was carried out on December 12, 2022 with the scope of presentations from the Corporate Secretary, Information Technology Division, Risk Management Division and Strategic Planning and Performance Management Division. The presentation included an introduction to the company profile, Organizational Structure and Work Procedures, Work Plan and Business Strategy for 2023.

Board of Directors Decisions and Implementation of Duties

During 2022 the Board of Directors has carried out their duties, obligations, and responsibilities in order to carry out the management of the Company as stipulated in the applicable laws and regulations, the Company's Articles of Association, and the work plan for carrying out the duties of the Board of Directors for 2022, in general, are as follows:

1. Preparation of the Company's bank business plan
2. Implementation of IT strengthening projects and digital banking development
3. Asset and financial management
4. Organizing board of Directors meetings and board of Directors meetings with the board of Commissioners
5. Organizing the Annual General Meeting of Shareholders for the 2021 Fiscal Year
6. Implementation of the 2022 Extraordinary General Meeting of Shareholders
7. Supervision and improvement of internal business processes
8. Implementation of Good Corporate Governance in every business activity
9. Distribution of Corporate Social Responsibility funds for the company which is manifested in various activities of the Bank Jatim Care
10. Implementation of other tasks related to the management of the company

The decisions of the Board of Directors that have been issued during 2022, include:

1. Asset Liability Committee (ALCO)
2. PIC user ID Taspen One Hour Online Service (TOOS) Application
3. Completion of the Reconstruction of the Interest Plus Cycle Program
4. Asset Release Authority Limits
5. Writer for bad credit
6. Branch Management of Bank Jatim Club Activities
7. Land and Building Procurement Team from PT Bank Jatim for the 2022 Fiscal Year
8. Organizational Structure and Working Procedures
9. Credit/Financing portfolio guidelines
10. Remuneration for Committee Members of the Board of Commissioners
11. Limits of authority for ending credit for NGOs/facilities
12. Settlement Authority Limits for transactions through ESTIM
13. Appointment and appointment of the Examining Committee on the results of the procurement of goods and services
14. Establishment of the Goods and Services Procurement Committee
15. Appointment and appointment of project leader and project support team
16. Stimulus for repayment of non-performing loans/payments is extracomtable
17. Changes in guidelines for implementation of Retail Credit
18. Changes in guidelines for implementing Micro and Small Productive loans
19. Credit or Financing Policy Committee SOP
20. Employee Punishment SOP
21. Recruitment and Selection SOP
22. Changes to the Stimulus SOP for Debtors Affected by Covid-19
23. SOP of Postgraduate Education Scholarship Program for Employees
24. Antivirus SOP, Server Network Bandwidth
25. Changes to Credit Linkage SOP



26. KKPA SOPs
27. BPR Linkage Credit SOP
28. SOP for East Java Micro Credit
29. BPR RC Credit SOP
30. Retail East Java Credit SOP
31. SOP of Office Channeling Sharia Service Office
32. SOP for customer investment products
33. SOP for Corporate Transaction Facilities
34. SOP for Internet Control, Wireless Intranet, Remote Access, Patch Management and Power User Usage
35. SOP for Bank Indonesia Short Term Liquidity Loans
36. SOP of Securities Trading Brokers for Debt Securities and Sukuk (PPE-EBUS)
37. Service Standard SOP
38. Smart Behavior SOP
39. Local Government Credit SOP
40. SOP for People's Business Credit
41. SOP for Credit or Financing Service Providers
42. Credit or Financing Operational SOP
43. SOP for Guaranteed Credit or Financing
44. Call Center Service SOP
45. SOP Total Rewards
46. SOP for Prevention of Money Laundering Crimes & Terrorism Financing Crimes
47. SOP for the Eradication of Money Laundering & Terrorism Financing Crimes
48. Operations Division Forex Reporting SOP
49. Job Transfer SOP
50. Career Development Program SOP
51. Santri Savings SOP
52. SOP Asset Listing Management (ALMA)
53. BLUD Credit SOP
54. SOP Classification of Separation and Limitation of Development, Testing and Production Environments
55. Cyber Security and Resilience SOP
56. SOP for Testing Bank System and Network Application Security
57. SOP Open Online Account
58. Stimulus SOP for debtors affected by Covid-19
59. SOP for Financing Welfare Home Ownership with FLPP and SBUM Fund Support
60. SOP of Personnel Management Committee
61. SOP Standardization of Vehicles
62. Credit Receivable SOP
63. IB Barokah Gold Metal Ownership Financing SOP
64. Grading and Remuneration System SOP
65. SOP of Barokah IB Plan Savings
66. SOP for official travel
67. SOP for Retail Micro Credit Program
68. Warehouse Receipt Credit SOP
69. SNAP SOPs
70. Changes to East Java Micro Credit SOP
71. Contractor Credit SOP
72. SOP for Commercial & Corporate Credit Process
73. Sharia Smart Practice SOP
74. IB Barokah Gold Financing SOP
75. Recruitment & Selection SOP
76. IB Barokah Multipurpose Financing SOP
77. SOP for Administration of Assignment of Substitute Officials
78. SOP for Internal Audit Activities

79. KPA Treasury
80. KPA Anti-Money Laundering and Combating the Financing of Terrorism
81. KPA General, Assets & Procurement
82. KPA Human Capital

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 March 16, 2021 concerning the Board of Directors Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. In accordance with the Decree of the Directors of PT Regional Development Bank East Java Number 061/218/DIR/PRS/KEP dated December 7, 2022 concerning the Organizational Structure and Work Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk, the Committee of Directors of Bank Jatim for 2022 were 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

Decree of the Board of Directors of PT Regional Development Bank East Java Number 061/218/DIR/PRS/KEP dated December 7, 2022 concerning the Organizational Structure and Work Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk revoked the Decree of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk Number 058/ 158/DIR/PRS/KEP dated June 17, 2019 concerning the Organizational Structure and Work Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk. There was a regulation in the Decree of the Board of Directors of PT Bank Pembangunan Daerah East Java Number 061/218/DIR/PRS/KEP dated December 7, 2022 including that matters carried out during the transition period include but were not limited to:

1. Meeting the needs of Human Resources including transfer of knowledge and fulfillment of the required competencies;
2. Fulfillment and updating of internal provisions (KPA, SOP, Technical Guidelines, Job Descriptions and other related provisions);

3. Fulfillment of the required facilities and infrastructure (including information systems and technology).

Changes to the Organizational Structure and Work Procedures were further regulated in the Board of Directors Circular Number 061/014/DIR/PRS/SE dated December 7, 2022 concerning the Pre-Transition Stage of the Organizational Structure and Work Procedures of Bank Jatim, which regulates, among other things:

1. The authorities and responsibilities of the Board of Directors and the Division on existing internal provisions (KPA/SOP/ Juknis) were declared to remain valid. If there was a change/ movement of division nomenclature to be adjusted with the Director of the field in charge.
2. For the implementation of the pre-transition stage organizational structure which had an impact on internal provisions, to be updated with a period of 2 months starting from the stipulation of the Board of Directors Circular Letter regarding the Pre-Transition Stage Organizational Structure.

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 2022 financial year.
2. The Board of Directors' assessment of the performance of the Board of Directors Committee is carried out through the Board of Directors Meeting.

The criteria used in the Board of Directors' assessment of the performance of the Board of Directors Committee include:

1. Basis for Formation of the Committee
2. Committee Structure and Membership
3. Duties, Authorities and Responsibilities of the Committee
4. Committee Implementation Achievement
5. Conclusion

During 2022, the Board of Directors considered that the committees under the Board of Directors carried out their duties and responsibilities properly.

Asset Liability Committee (ALCO)

ALCO is a committee for decision making on assets and liabilities for the purposes outlined, a forum called the Asset Liabilities Committee (ALCO) is needed. In order to reduce and eliminate risks that occur in banks, especially Liquidity Risk, Interest Rates and Exchange Rates, cooperation and active participation of various decision makers on both the assets and liabilities side are required. Cooperation will be successful if each decision maker knows his role and the impact of his decision on overall business profits. During 2022, the ALCO held 13 (thirteen) 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 2022, the Risk Management Committee held 6 (six) 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 2022, the Personnel Management Committee held 27 (twenty seven) meetings.

Information Technology Committee

Part of IT governance in providing recommendations, the committee must pay attention to the efficiency factor of the IT governance in order to minimize the risk associated with the use of IT. Bank and customers. As an embodiment of part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the IT Steering Committee, it was formed as a manifestation of the commitment of the Board of Directors and management of Bank Jatim in the form of active supervision of IT management. As stipulated in POJK MRTI, ITSC plays a role in assisting the implementation of the duties of the Board of Directors in determining the Information Technology Strategic Plan and Bank policies related to the use of Information Technology. During 2022, the Information Technology committee held 2 (two) meeting.

Credit Committee

Conventional Credit Committee

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

Financing Committee

an operational committee formed by the Board of Directors to evaluate and/or provide financing decisions for the amount and type of financing determined by the Board of Directors with due regard to business development without abandoning the precautionary principle including restructuring and settlement of financing.

- Credit Implementation Committee
During 2022 the Credit Implementation Committee held 31 (thirty one) meetings.
- Credit Rescue Committee
During 2022 the Credit Rescue committee held 10 (ten) meetings.
- Credit Settlement Committee
During 2022 the Credit Settlement Committee held 1 (one) meeting.
- Committee for Writing Off Credit and Financing
During 2022 the Credit Settlement Committee held 9 (nine) meetings.
- Financing Implementation Committee
During 2022 the Financing Implementation Committee held 7 (seven) meetings.

**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 2022 the Conventional Credit Policy Committee and the Financing Policy Committee carried out their duties and responsibilities and held 1 (one) meeting.

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 2022, 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 2022, the Network Sector PJP Committee held 5 (five) meetings.

PJP Committee on Procedures

The PJP Committee on Procedures is a committee formed by the Board of Directors to evaluate and recommend the issuance or update of the Bank's Policy and Procedure Book so that the Implementation Manual (BPP) used as a company work guideline does not deviate and is in accordance with the provisions. During 2022, the PJP Committee for Procedures held 14 (fourteen) 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 2022, 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.

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. Board of Commissioners meetings produce clear decisions and are recorded in the minutes.
7. Ensure that the Board of Commissioners behaves in accordance with applicable regulations.
8. Lead efforts to meet the development needs of the Board of Commissioners.
9. Perform other responsibilities assigned by the Board of Commissioners, from time to time.

Rights and Authorities of The Board of Commissioners

The rights and powers of the Board of Commissioners are to:

1. Individually or collectively at any time during the working hours of the Company's office has the right to enter the building and yard or other places used or controlled by the Company and the right to examine all books, letters and other evidence, check and match the cash and cash conditions. others and has the right to know all the actions that have been carried out by the Board of Directors.
2. Request an explanation from the Board of Directors regarding all matters relating to the management of the Company
3. Know all the policies and actions that have been and will be carried out by the Board of Directors.
4. Requesting the Board of Directors and/or other officers under the Board of Directors with the knowledge of the Board of Directors to attend the meeting of the Board of Commissioners.
5. Suspend one or more members of the Board of Directors, if the member of the Board of Directors acts contrary to the articles of association or the prevailing laws and regulations.
6. The said temporary dismissal must be notified to the person concerned along with the reasons.
7. Form Committees under the Board of Commissioners in accordance with laws and regulations by taking into account the needs of the Company.
8. Appoint and appoint an individual or expert to carry out certain tasks deemed necessary at the expense of the company.
9. Perform actions in managing the Company in certain circumstances for a certain period of time in accordance with the provisions of the Articles of Association.
10. Hold meetings with the Board of Directors to evaluate the performance of the Board of Directors.
11. Appoint the Secretary of the Board of Commissioners based on the prevailing laws and regulations.
12. Provide approval for policy guidelines regarding the provision of funds to related parties and the provision of large funds (large exposure).
13. Provide approval for the provision of funds to related parties. Carry out active supervision of the policy in question.
14. Request the Board of Directors to follow up on the findings of the SKAI examination.
15. Determine a special examination by SKAI if there are allegations of fraud, irregularities, against the applicable laws and regulations.
16. Evaluate and examine the follow-up to the Internal Audit Report, Compliance Director Report, Public Accountant Report, Bank Indonesia Report and BPK Report.
17. Consider the appointment and dismissal of the head of the internal audit work unit (SKAI) proposed by the President Director.
18. Provide feedback on periodic reports submitted by the Board of Directors.
19. Carry out other supervisory powers as long as they do not conflict with laws and regulations, the Articles of Association and/or the resolutions of the GMS.

Decision That Needs To Agree To The Board of Commissioners

Decisions that need to be approved by the Board of Commissioners of Bank Jatim have been regulated in the Code of Conduct section of the Work Mechanism between the Board of Directors and the Board of Commissioners. Matters that need to be approved by the Board of Commissioners are as follows:

1. General Meeting of Shareholders (GMS).
2. Changes in Organizational Structure.
3. Bank Business Plan and Corporate Plan.
4. Legal Lending Limit (LLL) with Related Parties.
5. Internal Audit Charter and the Appointment and Dismissal of the Head of Internal Audit Unit in relation to the implementation of the Standard for the Implementation of the Internal Audit Function for Commercial Banks (SPFAIB).
6. Reports to Bank Indonesia relating to conditions that endanger the sustainability of the Bank's business.
7. SKAI Semester Report.
8. Approval of Implementation Guidelines that must be ratified by the Board of Commissioners, among others, guidelines for large exposure transactions such as Guidelines for Disposal of Assets, Write-Off Loans and Claim Write-Offs and others.
9. Others according to the provisions.

Term of Office of Board Of Commissioners

The term of office for the Board of Commissioners is a maximum of 4 (four) years from the date determined in the GMS of appointment and ends at the close of the 4th (fourth) Annual GMS from the date of appointment or until the close of the annual GMS at the end of 1 (one) term of office, and can be reappointed for a second term of office, after taking into account the provisions of the Financial Services Authority and the applicable provisions and are considered to be able to carry out their functions properly, without prejudice to the right of the GMS to dismiss them at any time.

Board of Commissioners Criteria

The criteria for the Board of Commissioners of Bank Jatim have been stipulated in the Articles of Association of the Company and the Implementation Manual are as follows:

1. Individual, Indonesian citizen who:
 - a. Individual, Indonesian citizen who.
 - b. Faithful and obedient to the State and Government.
 - c. Do not engage directly or indirectly in activities treason against the State.
 - d. Physically and mentally healthy.
 - e. Have never carried out activities that harm the State or conduct disgraceful actions in the banking sector.
 - f. The voting rights were not revoked based on a court decision.
2. Pass a Fit and Proper Test in accordance with OJK regulations.
3. The majority of members of the Board of Commissioners are prohibited from having family ties to the second degree with fellow members of the Board of Commissioners and/or members of the Board of Directors.

4. Within 5 (five) years prior to the appointment and during the term of office:
 - a. Never been declared bankrupt.
 - b. Never been a member of the Board of Directors and/ or a member of the Board of Commissioners who was found guilty of causing a company to go bankrupt.
 - c. Never been convicted of committing a crime that caused losses to state finances and/or was related to the financial sector
 - d. Has never been a member of the Board of Directors and/ or a member of the Board of Commissioners who during his tenure:
 - Never held an Annual GMS.
 - The responsibilities as a member of the Board of Directors and/or a member of the Board of Commissioners have never been accepted by the GMS or have never given accountability as a member of the Board of Directors and/or a member of the Board of Commissioners to the GMS.
 - Have caused a company that obtained a license, approval, or registration from FSA to fail to fulfill its obligation to submit an annual report and/or financial report to FSA.
5. Not involved directly or indirectly in treasonous activities to the State.
6. Never carry out activities that are detrimental to the State or disgraceful actions in the banking sector;
7. Not deprived of voting rights based on court decisions.
8. Have a good financial track record, proven by documents that have been issued by the competent authority.
9. Meet other requirements as specified.

Board of Commissioners' Work Procedures Guidelines

The Board of Commissioners has 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 January 15, 2021. The contents of Board of Commissioners Charter regulate the following matters:

A. `Governance Structure

1. Board of Commissioners Composition
2. Board of Commissioners Criteria
3. Term of Office
4. Duties, Obligations, Authority, Responsibilities, Prohibitions
5. Organization

B. `Governance Process

1. Division of work
2. Working time
3. Work Ethics
4. Supervision Mechanism
5. Board of Commissioners Meeting
6. Workflow & Mechanism

C. `Governance Outcome

1. Report
2. Means of Correspondence
3. Letter Distribution

The Supervision of The Board of Commissioners' Supervisory Duties

In order to optimize the implementation of the functions and duties of the Board of Commissioners, it has been determined that the field of duties of each member of the Board of Commissioners has been established. The management of the supervisory duties of the Board of Commissioners does not reduce the rights, obligations, responsibilities and authority of each member of the Board of Commissioners in carrying out their functions and duties. As for the division of functions, duties and responsibilities of the Board of Commissioners as follows.

Table of Duties of the Board of Commissioners

Name	Position	Duties
Suprajarto*	President Commissioner	Member of Remuneration and Nomination Committee
Candra Fajri Ananda	Independent Commissioner	Head of the Risk Monitoring Committee Chairman of the Audit Committee Member of Remuneration and Nomination Committee
Muhammad Mas'ud	Independent Commissioner	Chairman of the Remuneration and Nomination Committee Audit Committee Member Member of the Risk Monitoring Committee
Sumaryono*	Independent Commissioner	Chairman of the Audit Committee Member of the Risk Monitoring Committee Member of Remuneration and Nomination Committee
Heru Tjahjono	Commissioner	Member of Remuneration and Nomination Committee

* Appointed at the Annual GMS for Fiscal Year 2021 on March 17, 2022.

Concurrent Position of Board of Commissioners

Charter of Board of Commissioners of Bank Jatim has regulated the provisions concerning concurrent positions of the Board of Commissioners, namely members of the Board of Commissioners are prohibited from holding concurrent positions as:

1. Members of the Board of Directors, Board of Commissioners, or Executive Officers of financial institutions or financial companies, both banks and non-banks.
2. Members of the Board of Directors, Board of Commissioners or Executive Officers of more than 1 (one) non-financial institution or non-financial company, both domestic and abroad.
3. Other positions that may lead to a conflict of interest and/or other position in accordance with the rules and regulations.

Tabel Rangkap Jabatan Dewan Komisaris

Name	Position	Position in Other Companies/ Agencies	Name of Other Company/
Suprajarto*	President Commissioner	-	-
Candra Fajri Ananda	Independent Commissioner	Special Staff	Ministry of Finance
Muhammad Mas'ud	Independent Commissioner	Postgraduate Director	University of Islam
Sumaryono*	Independent Commissioner	-	-
Heru Tjahjono	Commissioner	-	-

* Appointed at the Annual GMS for Fiscal Year 2021 on March 17, 2022.

Management of Conflicts of Interest of The Board of Commissioners

Management of conflicts of interest for the Board of Commissioners as stipulated in the Board of Commissioners Guidelines and Procedures are as follows::

1. Members of the Commissioner are required to keep information which is based on laws and regulations must be kept confidential, including not being involved in Insider Trading or self-dealing with the aim of obtaining personal gain.
2. Not taking advantage of the Company for personal, family, and/or other party interests that may harm or reduce the Company's profits.
3. Do not take and/or receive personal benefits from the Bank other than remuneration and other facilities determined by the GMS.
4. Not involved in making decisions about the Company's operational activities, except for the provision of funds to related parties and other matters stipulated in the Company's Articles of Association or applicable laws and regulations.
5. Do not carry out transactions that have a conflict of interest and/or take personal gain either directly or indirectly from the Company's activities other than legal income as a member of the Board of Commissioners.
6. Not being influenced by other parties in carrying out duties and making decisions that lead to abuse of authority and/or improper decision making.
7. Not holding multiple positions as:
 - a. Members of the Board of Directors, members of the Board of Commissioners or Executive Officers at financial institutions or financial companies, both banks and nonbanks.

- b. Members of the Board of Directors, members of the Board of Commissioners or Executive Officers in more than 1 (one) nonfinancial institution or non-financial company, either domiciled inside or outside the country.
 - c. Other positions that may cause conflict of interest and/or other positions in accordance with laws and regulations.
8. Disclose remuneration and other facilities received in the Governance Implementation Report as stipulated in the Financial Services Authority Regulation.

During 2022, the Bank ensures that all members of the Board of Commissioners have no conflict of interest or potential conflict of interest against Bank Jatim.

In carrying out the duties, powers, obligations and responsibilities of each Board of Commissioners of Bank Jatim, they must always be based on job ethics. All members of the Board of Commissioners must avoid potential conflicts of interest or always position themselves not to be in a potential conflict of interest in any situation as stated in the Charter of the Board of Commissioners.

In the event of a conflict of interest, the Board of Commissioners who has a conflict of interest does not use their rights/authority in making decisions. Members of the Board of Commissioners are prohibited from taking actions that may harm the Bank or reduce the Bank's profits and must disclose the conflict of interest referred to in every decision.

Independent Commissioners

Bank Jatim is subject to regulations issued by regulators regarding the existence of Independent Commissioners in the Bank. The Bank's Independent Commissioners are appointed at least 50% (fifty percent) of the total members of the Board of Commissioners. The number of Independent Commissioners of Bank Jatim consisted of 3 (three) people out of a total of 5 (five) members of the Board of Commissioners. In other words, the composition of the Independent Commissioners of Bank Jatim was more than 50% of the total members of the Board of Commissioners.

Criteria for Determining Independent Commissioners

The criteria for determining the Independent Commissioner of Bank Jatim are regulated in the articles of association and in the guidelines for the implementation of the Board of Commissioners of Bank Jatim that are adjusted according to the applicable rules including Circular Letter of the Financial Services Authority No. 13/SEOJK.03/2017 regarding Governance Implementation for Commercial Banks and Regulation of Financial Services Authority No. 33/POJK.04/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies, among others it is explained that Independent Commissioners must meet the following requirements:

Independent Commissioner Criteria	Independent Commissioner		
	Candra Fajri Ananda	Muhammad Mas'ud	Sumaryono
Have no financial relationship, management relationship, share ownership relationship, family relations with other members of the Board of Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which can affect their ability to act independently.	✓	✓	✓
Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of Issuers or Public Companies within the last 6 (six) months, except for reappointment as Independent Commissioners of Issuers or Public Companies in the following period.	✓	✓	✓
Have no shares either directly or indirectly in the Issuer or Public Company	✓	✓	✓
Have no affiliation relationship with Issuers or Public Companies, members of the Board of Commissioners, members of the Board of Directors, or major shareholders of Issuers or Public Companies.	✓	✓	✓
Do not have business relations, directly or indirectly, that are related to the business activities of the Issuer or Public Company.	✓	✓	✓

The presence of an Independent Commissioner is intended to be able to encourage the creation of an objective climate and work environment, placing fairness and equality among various interests, including the interests of minority shareholders and other stakeholders.

Independent Commissioner must be free from conflicts of interest. In order to support the implementation of the Company's GCG, shareholders in the GMS determine the Independent Commissioners with the number and requirements as stipulated in the laws and regulations to carry out supervisory duties towards the Bank.

Independent Commissioner Statement

[illegible][illegible][illegible]

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 2022 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 2022 Audited Fiscal Year.
- Quarterly Review on Bank Performance for 2022.
- Preparation for the 2022 Annual General Meeting of Shareholders.
- Program review and performance appraisal of the Board of Commissioners and Committees.
- Review of the latest conditions related to Risk Profile, Business Activities, IT, HR, and other Strategic Initiatives

Quarter II

- Monthly Review on Bank Performance.
- Review of the latest conditions related to Risk Profile, Business Activities, IT, HR, and Other Strategic Initiatives.
- Supervision and evaluation of the Bank's Soundness Level, Risk Management, Governance Implementation, as well as a review of the compliance function report and the implementation of the Compliance Director's duties.
- Discussion of the Nomination Process for Candidates for Bank Management.
- Review of Bank's internal policies/regulations (BPP/SOP).

Quarter III

- Monthly Review on Bank Performance
- Review of the latest conditions related to Risk Profile, Business Activities, IT, HR, and Other Strategic Initiatives.
- Discussion of the Company's 2022 Work Plan and Budget.
- Discussion of the Nomination Process for Candidates for Bank Management.
- Discussion of the process of selecting a Public Accounting Firm (KAP) for the 2022 Financial Statement Audit.

Quarter IV

- Monthly Review on Bank Performance.
- Review of the latest conditions related to Risk Profile, Business Activities, IT, HR, and Other Strategic Initiatives.
- Approval of the Bank's 2023 Business Plan, Sustainable Finance Action Plan.
- Discussion of the follow-up results of the Nomination of Candidates for Bank Management.
- Discussion on the preparation of the Work Program and Budget of the Board of Commissioners and Committees for 2023.

REALIZATION OF THE INTERNAL MEETING OF THE BOARD OF COMMISSIONERS

Throughout 2022, 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	Attendance	Reason for Absence
1.	January 4, 2022	The discussion includes: 1. Self Assessment of Performance Achievement of the Board of Commissioners in 2021. 2. Board of Commissioners Work Program for 2022. 3. Simulation of the 2021 Fiscal Annual GMS. 4. Etc.	Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Present	
			Heru Tjahjono	Not present	Permit
2.	February 21, 2022	The discussion includes: 1. Appointment of the Leader of the Annual General Meeting of Shareholders of Bank Jatim for the 2021 Fiscal Year. 2. Follow-up related to the Position of the Board of Directors (Director of Finance and Director of Business Risk). 3. Follow up regarding the term of office of Committee Members of the Board of Commissioners. 4. Etc.	Muhammad Mas'ud	Present	
			Candra Fajri Ananda	Present	
			Heru Tjahjono	Present	
3.	March 23, 2022	The discussion includes: 1. Distribution of Duties of the Board of Directors Post Vacant Positions Director of Finance and Director of Business Risk. 2. Preparation for the Selection Process for Candidates for Director of Finance and Director of Business Risk. 3. Changes in Composition of Committees of the Board of Commissioners.	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	
4.	March 31, 2022 – April 1, 2022	The discussion includes: Coordination Meeting Overview In-Depth Current Conditions of the Divisions (Division of Human Capital, Consumer, Micro Retail and Programs, IT Division and Corporate Secretary).	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Not present	Permit
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
5.	April 6, 2022	The discussion includes: Coordination Meeting Overview of Deepening Current Conditions of the Divisions (Strategic Planning & Performance Management, Commercial Credit, Corporate & Syndication, Funding & Services and Operations Division).	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Not present	Permit
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
6.	April 7, 2022	The discussion includes: 1. Preparation for Filling Vacant Positions for Committees of the Board of Commissioners. 2. Preparation for the Implementation of the Selection Process for Prospective Directors of Bank Jatim by the Selection Committee. 3. Etc.	Suprajarto	Present	
			Candra Fajri Ananda	Not present	Permit
			Muhammad Mas'ud	Not present	Permit
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
7.	April 22, 2022	The discussion includes: Coordination Meeting Overview of Deepening Current Conditions of Divisions (General Division, Sharia Unit).	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	
8.	May 13, 2022	The discussion includes: Coordination Meeting for the preparation of the Selection process for Prospective Members of the Board of Directors of PT. East Java Regional Development Bank Tbk in 2022.	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	

No	Date	Meeting Agenda	Meeting Participants	Attendance	Reason for Absence
9.	June 27, 2022	The discussion includes: 1. Discussion of Remuneration and Nomination Committee Proposals 2. Associated with the selection committee 3. Related to BPP Remuneration for Management (Board of Commissioners and Directors) 4. Related to BPP Business Travel Management (Board of Commissioners and Directors) 5. Discussion related to the Implementation Manual (BPP) within the scope of the Board of Commissioners 6. BPP Board of Commissioners 7. BPP Working Relations Mechanism of the Board of Commissioners and Directors 8. Discussion Regarding AML-CFT Policy	Suprajarto	Not present	Permit
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
10.	August 18, 2022	The discussion includes: 1. Discussion regarding the Remuneration Committee's Recommendations regarding Management Remuneration Policies. 2. Discussion Regarding the Remuneration Committee's Recommendations regarding Management Service Operational Policies.	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
11.	September 6, 2022	The discussion includes: 1. Evaluation of the Board of Directors' proposal regarding the Organizational Structure of Bank Jatim. 2. Evaluation of the results of the Board of Commissioners' Visit to Branch Offices. 3. Update regarding the Selection Process for Prospective Members of the Board of Directors of Bank Jatim.	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
12.	September 22, 2022	The discussion includes: Discussion Regarding Composition of Committee Members of the Board of Commissioners (Independent Party).	Suprajarto	Present	
			Candra Fajri Ananda	Not present	Permit
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	
13.	November 25, 2022	The discussion includes: Appointment of the Leader of the EGMS	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	
14.	Desember 07, 2022	The discussion includes: 1. Discussion of the Vacant Position of Compliance Director. 2. Distribution of Duties of the Board of Directors. 3. Etc.	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Present	
15.	Desember 23, 2022	The discussion includes: 1. Review of the Implementation of Duties of Supporting Organs of the Board of Commissioners Board of Commissioners 2. Etc	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit
16.	Desember 30, 2023	The discussion includes: 1. Management Remuneration Policy Review. 2. Board of Commissioners Work Program and Budget for 2023. 3. Etc.	Suprajarto	Present	
			Candra Fajri Ananda	Present	
			Muhammad Mas'ud	Present	
			Sumaryono	Present	
			Heru Tjahjono	Not present	Permit

Joint Meeting of the Board of Commissioners and the Board of Directors

The Joint Meeting of the Board of Commissioners with the Board of Directors consists of a Joint Meeting of the Board of Commissioners inviting the Board of Directors or vice versa.

PLANNED JOINT MEETING OF THE BOARD OF COMMISSIONERS AND DIRECTORS IN 2023

No	Month	Meeting Implementation Estimation	Meeting agenda
1	January	3rd week	Discussion on the performance evaluation of Bank Jatim
2	March	3rd week	Discussion on the performance evaluation of Bank Jatim
3	May	3rd week	Discussion on the performance evaluation of Bank Jatim
4	July	3rd week	Discussion on the performance evaluation of Bank Jatim
5	September	3rd week	Discussion on the performance evaluation of Bank Jatim
6	November	3rd week	Discussion on the performance evaluation of Bank Jatim

REALIZATION OF JOINT MEETINGS OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

Throughout 2022, the agenda, dates and participants of the Joint Meetings of the Board of Commissioners and the Board of Directors are as follows.

Table of Joint Meetings of the Board of Commissioners and Directors

No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
1.	27/01/2022	The discussion includes: Review of the Consolidated Financial Statements for the 2021 Audited KAP Fiscal Year	Muhammad Mas'ud, Candra Fajri Ananda Heru Tjahjono	Present Present Present		Rizyana Mirda Tonny Prasetyo Erdianto Sigit	Present Present Present	
2.	27/01/2022	The discussion includes: 1. Discussion of Media Coverage related to the Selection Process 2. Discussion on the Preparation of the Annual GMS for the 2021 Fiscal Year	Muhammad Mas'ud, Candra Fajri Ananda Heru Tjahjono	Present Present Present		Rizyana Mirda Tonny Prasetyo Erdianto Sigit	Present Present Present	
3.	2/03/2022	The discussion includes: 1. Preparation for the Annual General Meeting of Shareholders of Bank Jatim for the 2021 Fiscal Year 2. Proposal to Reduce Related Party Multipurpose Loan Interest Rates 3. Approval of Interest Assistance for Plans to Provide Investment Credit Facilities for the Nahdlatul Ulama Khadijah Education and Social Park Foundation	Muhammad Mas'ud Heru Tjahjono Candra Fajri Ananda	Present Present Present		Busrul Iman Erdianto Sigit Rizyana Mirda Tonny Prasetyo	Present Present Present Present	
4.	18/04/2022	The discussion includes: 1. Evaluation of Bank Jatim Financial Performance 2. Discussion of Bank Jatim Organizational Structure	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Heru Tjahjono	Present Present Present Present Present		Busrul Iman Tonny Prasetyo Edi Masrianto Arief Wicaksono Erdianto Sigit C	Present Present Present Present Present	
5.	20/05/2022	The discussion includes: 1. Evaluation of Bank Jatim Financial Performance 2. Discussion of Follow-up Organizational Structure of Bank Jatim	Suprajarto Muhammad Mas'ud Heru Tjahjono Candra Fajri Ananda Sumaryono	Present Present Present Present Present		Busrul Iman Erdianto Sigit C Tonny Prasetyo Edi Masrianto Arief Wicaksono	Present Present Present Present Present	

No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
6.	28/06/2022	The discussion includes: 1. Evaluation of Bank Jatim Financial Performance Position May 2022 2. Discussion regarding changes to Bank Jatim Bank Bussiness Plan in 2022	Suprajarto	Not present	Permit	Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Present		Edi Masrianto	Present	
			Sumaryono	Present		Erdianto Sigit C	Not present	Permit
			Heru Tjahjono	Not present	Permit	Arief Wicaksono	Not present	Permit
7.	21/07/2022	The discussion includes: 1. Evaluation of Bank Jatim's Financial Performance Position June 2022 2. Etc	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Present		Edi Masrianto	Present	
			Sumaryono	Present		Erdianto Sigit C	Present	
			Heru Tjahjono	Present		Arief Wicaksono	Not present	Permit
8.	19/08/2022	The discussion includes: 1. Evaluation of Bank Jatim Financial Performance Position July 2022; 2. Etc	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Edi Masrianto	Present	
			Candra Fajri Ananda	Present		Tonny Prasetyo	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Heru Tjahjono	Present		Erdianto Sigit C	Present	
9.	7/09/2022	The discussion includes: 1. Evaluation of Bank Jatim's Financial Performance for August 2022 2. Position Discussion of Proposed Organizational Structure 3. Evaluation of Branch Visit Results 4. Evaluation of New Product Implementation Stages	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Present		Edi Masrianto	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Heru Tjahjono	Not present	Permit	Erdianto Sigit	Not present	Permit
10.	18/10/2022	The discussion includes: 1. Evaluation of Bank Jatim's Financial Performance for September 2022 2. Position Discussion regarding the Corporate Action Plan 3. Discussion regarding the preparation of the Extraordinary General Meeting of Shareholders (EGMS)	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Present		Edi Masrianto	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Heru Tjahjono	Present		Erdianto Sigit	Present	
11.	10/11/2022	The discussion includes: EGMS Preparation	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Present		Edi Masrianto	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Heru Tjahjono	Not present	Permit	Erdianto Sigit	Present	
12.	17/11/2022	The discussion includes: Evaluation of Bank Jatim Financial Performance Position October 2022	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Present		Edi Masrianto	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Heru Tjahjono	Present		Erdianto Sigit	Present	

No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Reason for Absence
13.	29/11/2022	The discussion includes: Evaluation and Follow-up of Board of Commissioners & Directors Meetings on 18 October and 17 November 2022	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Not present	Permit	Edi Masrianto	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Heru Tjahjono	Present		Erdianto Sigit	Present	
14.	2/12/2023	The discussion includes: Discussion of the Bank's Business Plan for 2023	Suprajarto	Present		Busrul Iman	Present	
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Not present	Permit	Edi Masrianto	Present	
			Sumaryono	Present		Arief Wicaksono	Present	
			Heru Tjahjono	Not present	Permit	Erdianto Sigit	Present	
15.	23/12/2022	The discussion includes: 1. Discussion on Performance and Prognosis at the end of December 2022; 2. Presentation by the Director of IT & Digital, Director of Risk Management, and Acting Director of Compliance regarding conditions in their respective directorates and plans for acceleration in supporting the Bank's performance; Etc. 3.	Suprajarto	present		Busrul Iman	Present	
			Muhammad Mas'ud	present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	present		Edi Masrianto	present	
			Sumaryono	present		Arief Wicaksono	present	
			Heru Tjahjono	present		Zulhelfi Abidin	present	
				Not present	Permit	Eko Susetyono	present	

THE MEETING OF THE BOARD OF COMMISSIONERS INVITES THE FIELD DIRECTOR

No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Information
1	02/06/2022	Coordination meetings with the Director of Discussion include: 1. Performance Evaluation of the Directorate of Compliance and Risk Management 2. Performance Evaluation of IT and Operations Directorate	Suprajarto	Present		Erdianto Sigit C	Present	Special meetings for the Director of Compliance & Risk Management, and IT & Operations. The other directors did not participate in the meeting
			Muhammad Mas'ud	Present		Tonny Prasetyo	Present	
			Candra Fajri Ananda	Present				
			Sumaryono	Present				
			Heru Tjahjono	Present				
2	3/06/2022	The discussion includes: 1. Evaluation of the Directorate of Consumer Retail & Sharia Business Performance 2. Performance Evaluation of the Directorate of Commercial, Corporate and Finance	Suprajarto	Present		Edi Masrianto	Present	Special meeting for the Director of Consumer Retail & Sharia Business, and Commercial, Corporate and Finance. The other directors did not participate in the meeting
			Muhammad Mas'ud	Present		Arief Wicaksono	Present	
			Candra Fajri Ananda	Present				
			Sumaryono	Present				
					Permit			

No	Date	Meeting Agenda	Board of Commissioners Meeting Participants	Present/ Not Present	Reason for Absence	Board of Directors Meeting Participants	Present/ Not Present	Information
3	5/10/2022	Coordination Meeting of the Board of Commissioners with the Director of Compliance & Risk Management The discussion includes: 1. Discussion regarding the preparations for the Extraordinary General Meeting of Shareholders (EGMS) of PT Bank Pembangunan Daerah Jawa Timur Tbk; 2. Discussion regarding changes to the SOP for election and/ or replacement of members of the Board of Directors	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Heru Tjahjono	Present Present Present Present Present		Erdianto Sigit C	Present	Special meeting of the Director of Compliance & Risk Management, the other directors do not participate in the meeting

Frequency and Participants of Board of Commissioners' Meetings

During 2022, the Board of Commissioners held and attended 16 (sixteen) internal meetings and 15 (fifteen) joint meetings of the Board of Commissioners and Directors and 3 (three) times the Board of Commissioners invited the Field Directors. The frequency and attendance of meetings for each member of the Board of Commissioners can be seen in the table below.

Table of Frequency and Participants of Board of Commissioners Meetings

Name	Position	Board of Commissioners Meeting			Joint Meetings of the Board of Commissioners and Directors and Board of Commissioners Meetings Inviting Field Directors			GMS		
		Number and Percentage of Presenters			Number and Percentage of Presenters			Number and Percentage of Presenters		
		Number of Meetings	Number of Presenters	Percentage	Number of Meetings	Number of Presenters	Percentage	Number of Meetings	Number of Presenters	Percentage
Suprajarto*	President Commissioner	16	13	81.25%	18	14	77.77%	1	1	100%
Muhammad Mas'ud	Independent Commissioner	16	13	81.25%	18	18	100%	2	2	100%
Candra Fajri Ananda	Independent Commissioner	16	13	81.25%	18	16	88.88%	2	2	100%
Sumaryono*	Independent Commissioner	16	14	87.5%	18	15	83.33%	1	1	100%
Heru Tjahjono	Commissioner	16	7	43.75%	18	12	66.6%	2	2	100%

*Appointed at the 2021 Annual General Meeting of Shareholders on March 17, 2022.

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 2022 are as follows..

Name	Position	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Suprajarto*	President Commissioner	Top Leader Communication Forum with the theme "Agile - Resilience Motivation and Team Building Program"	Probolinggo, March 18, 2022	GO ORBIT
		Becoming extraordinary leader	Surabaya, March 21 2022	Tampubolon Teens
		Risk Management Certification Refreshment Program	Jakarta, March 25, 2022	Strategic Development Group (SDG)
Candra Fajri Ananda	Independent Commissioner	Top Leader Communication Forum with the theme "Agile - Resilience Motivation and Team Building Program"	Probolinggo, March 18, 2022	GO ORBIT
		Risk Management Certification Refreshment Program	Jakarta, March 25, 2022	Strategic Development Group (SDG)
		BPDSI FKDK Strengthening Training "Training to Strengthen the Duties and Functions of the Board of Commissioners"	Lombok, June 22, 2022	FKDK BPDSI Central Region
		Risk Management Certification Refreshment Program	Jakarta, 19 Desember 2022	Risk Management Certification Body (BSMR)
Muhammad Mas'ud	Independent Commissioner	BPDSI FKDK National Seminar "Recovery of the Tourism Industry and Creative Economy to Encourage Regional Economic Growth Through Optimizing Regional Development Bank Financing throughout Indonesia"	Bali, March 10, 2022	FKDK BPDSI Central Region
		Top Leader Communication Forum with the theme "Agile - Resilience Motivation and Team Building Program"	Probolinggo, March 18, 2022	GO ORBIT
		Risk Management Certification Refreshment Program	Jakarta, March 25, 2022	Strategic Development Group (SDG)
		BPDSI FKDK Strengthening Training "Training to Strengthen the Duties and Functions of the Board of Commissioners"	Lombok, June 22, 2022	FKDK BPDSI Central Region
		Risk Management Certification Refreshment Program	Jakarta, December 19, 2022	Risk Management Certification Body (BSMR)
Sumaryono*	Komisaris Independen	Top Leader Communication Forum with the theme "Agile - Resilience Motivation and Team Building Program"	Probolinggo, March 18, 2022	GO ORBIT
		Becoming extraordinary leader	Surabaya, March 21, 2022	Tampubolon Teens
		Risk Management Certification Refreshment Program	Jakarta, March 25, 2022	Strategic Development Group (SDG)
		BPDSI FKDK Strengthening Training "Training to Strengthen the Duties and Functions of the Board of Commissioners"	Lombok, June 22, 2022	FKDK BPDSI Central Region
		Risk Management Certification Refreshment Program	Jakarta, December 19, 2022	Risk Management Certification Body (BSMR)
Heru Tjahjono	Komisaris	Top Leader Communication Forum with the theme "Agile - Resilience Motivation and Team Building Program"	Probolinggo, March 18, 2022	GO ORBIT
		Risk Management Certification Refreshment Program	Jakarta, December 19, 2022	Risk Management Certification Body (BSMR)
		Risk Management Certification Refreshment Program	Jakarta, December 19, 2022	Risk Management Certification Body (BSMR)

* Appointed at the Annual GMS for Fiscal Year 2021 on March 17, 2022.

Orientation Program for New Board of Commissioners

The Orientation Program is very important to be implemented, because the members of the Board of Directors can come from various backgrounds, so that in order to form a solid work team, the Orientation Program is mandatory to run. The provisions concerning the Orientation program must be given to Directors who are taking office for the first time must be given an orientation program regarding the Bank.

The orientation program that is given can be in the form of participants, meetings or visits to the Company's facilities, introductions to Division Leaders, Groups and employees of the Company and other programs.

In 2022 there were 2 (two) new Commissioners appointed by the GMS, namely Suprajarto (President Commissioner) and Sumaryono (Independent Commissioner). In carrying out the Company's introduction program in general to the two new Commissioners, an orientation program was carried out by delivering material including information/matters as follows:

1. Vision, mission, organizational structure of the Company, business activities and operational network;
2. Annual Report, Corporate Plan and Bank Business Plan, the company's Code of Ethics, Bank Jatim Work Culture, the Company's Articles of Association, and the Board of Commissioners' Work Rules;
3. Good Corporate Governance, duties, authorities and responsibilities of the Board of Commissioners and Directors, delegation of authority and limits of authority of the Board of Commissioners in carrying out supervisory duties on the company based on applicable laws and regulations;
4. Committees under the Board of Commissioners formed and directly responsible to the Board of Commissioners, and the Secretariat of the Board of Commissioners which assists the smooth running of the duties of the Board of Commissioners;
5. Remuneration and facilities provided to members of the Board of Commissioners

Procedures and Frequency of Giving Advice

Providing advice from the Board of Commissioners to the Board of Directors through written letters or at meetings. Meetings held by the Board of Commissioners are divided into 2 (two), namely:

1. Internal meetings of the Board of Commissioners.
2. Meetings of the Board of Commissioners and the Board of Directors.

In addition to these two meetings, the Board of Commissioners also conducts coordination meetings with the Committees under the Supervision of the Board of Commissioners consisting of Audit Committee Meetings, Risk Monitoring Committee Meetings and Remuneration and Nomination Committee Meetings.

Recommendations, Implementation of Duties of The Board of Commissioners, and Supervision of The Company's Strategy Implementation

Throughout 2022 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.

During 2022, the Board of Commissioners issued **13 (thirteen)** letters of approval which were 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 12, 2022	Lending to Related Parties
2	January 17, 2022	Approval of the Internal Audit Division's 2022 Period Audit Plan
3	May 20, 2022	Provision of Investment Credit Facility to Khadjah TPS-NU Foundation
4	May 20, 2022	Approval of Adjustment of Bank Jatim Business Plan 2022
5	June 2, 2022	Approval of Proposed Changes in Remuneration for Committee Members (Independent Party)
6	June 30, 2022	Approval of Changes to the Bank Jatim Business Plan for 2022
7	July 6, 2022	Approval of the proposed AML CFT Activity Product Policy
8	September 13, 2022	Approval of the Sharia Supervisory Board Follows the Extension of the Sharia Supervisory Certification
9	September 27, 2022	Temporary Replacement of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk
10	September 28, 2022	Approval and Appointment of KAP to audit the Financial Statements of PT Bank Jatim for the 2022 Fiscal Year
11	November 10, 2022	Approval regarding the Corporate Action of Equity Participation to a healthy Regional Development Bank (BPD).
12	November 17, 2022	Approval of the Sharia Supervisory Board in Ijtima' Sanawi DPS 2022
13	December 2, 2022	Approval of Bank Jatim Business Plan 2023

Performance Assessment of The Board of Commissioners

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.

DIRECTORS' PERFORMANCE EVALUATION CRITERIA

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 2022 period will be conveyed and accounted for in the GMS which will be held in 2023.



President Director KPI

Perspective	KPI
1 Financial	
Loan Expansion	Loan Achievement
Profit	Profit Achievement
NPL GROSS	NPL (Gross)
Efficiency	Financial ratios Operating Expenses Operating Income
Current Account	Achievement of General Current Accounts
	Achievement of Regional Government Current Accounts
Savings	Achievement of Savings
Deposit	Achievement of General Deposits
	Achievement of Local Government Deposits
Achievement of Asset	Achievement of Total Assets
Fee Based Income	Growth Fee Based Income (FBI)
2 Customer	
Service Standard Ranking	Service standard ranking position (Best Overall Performance Service Excellent) minimum 2nd position Best Overall Performance Service Excellent from MRI for the Regional Development Bank category
PEFINDO Rating	PEFINDO rating position Long Term pada idA+
Audit Findings	Monitoring audit findings (Internal & External) completed on time
General Meeting of Shareholders	Implementation of GMS in accordance with the timeline.
3 Internal Business Process	
Bank Soundness Level	Minimum Bank Soundness Level at Composite Rating 2 and Risk Profile assessment at "Low to Moderate" risk rating
GCG	Consistency of GCG implementation in accordance with OJK provisions and laws and regulations with a "Good" rating (rank 2)
Initiation Project	Ensuring Project Initiation is in accordance with the timeline
Policy and Process	Ensuring the implementation of policy updates according to the timeline
Sustainable Finance Action Plan	Ensuring the implementation of RAKB in accordance with the provisions of the timeline
Audit Plan	Ensuring the Audit Plan is carried out according to schedule
4 Learning and Growth	
Policy Socialization	Ensuring employee competency improvement through policy socialization
Employee Competency	Ensuring employee competency improvement by implementing training
HR transformation	Implementation of Corporate Culture in all work units

Director of Finance, Treasury & Global Services KPI

Perspective	KPI
1 Financial	
Profit	Profit Achievement
NPL GROSS	NPL (Gross)
Efficiency	Financial ratios Operating Expenses Operating Income
Current Account	Achievement of General Accounts
	Achievement of Regional Government Current Accounts
Savings	Achievement of Savings
Deposit	Achievement of General Deposits
	Achievement of Local Government Deposits
CASA	Maintain CASA Ratio
Fee Based Income	Growth Fee Based Income (FBI)
Foreign Exchange Transactions	Increase in the number of Foreign Exchange transactions
Treasury Income	Obtain income from treasury transactions according to the target (Dealing Room & Bank Notes)
Trade Finance	Increase the number of Trade Finance Transactions
2 Customer	
Service Standard ranking	Service standard ranking position (Best Overall Performance Service Excellent) minimum 2nd position Best Overall Performance Service Excellent from MRI for the Regional Development Bank category
PEFINDO ranking	PEFINDO rating position Long Term pada idA+
Audit Findings	Monitoring audit findings (Internal & External) completed on time
Financial Report	Ensuring that the Quarterly and Annual Financial Reports have been published within the specified time limit
Institutional Cooperation	Maintain good relations and increase cooperation with institutions
3 Internal Business Process	
Bank Soundness Level	Minimum Bank Soundness Level at Composite Rating 2 and Risk Profile assessment at "Low to Moderate" risk rating
GCG	Consistency of GCG implementation in accordance with OJK provisions and laws and regulations with a "Good" rating (rank 2)
Initiation Project	Ensuring Project Initiation is in accordance with the timeline
Active & Passive Coaching	Branch Monitoring every 3 (three) months
Policy and Process	Ensuring the implementation of policy updates according to the timeline
Sustainable Finance Action Plan	Ensuring the implementation of RAKB in accordance with the provisions of the timeline
Branch Development	Minimizing the performance of Below and Poor Branches
Bank Business Plan	Ensuring timely preparation of the Bank's Business Plan (RBB).

Director of Finance, Treasury & Global Services KPI	
Perspective	KPI
4 Learning and Growth	
Policy Socialization	Ensuring employee competency improvement through policy socialization
Employee Competency	Ensuring employee competency improvement by implementing training
HR transformation	Implementation of Corporate Culture in all work units

Director of Micro, Retail & Medium KPI	
Perspective	KPI
1 Financial	
Loan Expansion	Medium Retail Micro Loan Expansion
Profit	Achievement of Profit
Third Parties funds	Achievement of Total TPF
NPL Consumer, Micro, Retail	NPL Consumer Loan NPL Medium Retail Micro Loan
NPL Sharia	NPL Sharia Loan
Fee Based Income	Growth Fee Based Income (FBI)
Consumer Loan	Consumer Loan Growth
Sharia Financing	Sharia Financing Growth
Sharia Third Parties Funds	Sharia Third Party Funds Growth
2 Customer	
Service Standard ranking	Service standard ranking position (Best Overall Performance Service Excellent) minimum 2nd position Best Overall Performance Service Excellent from MRI for the Regional Development Bank category
PEFINDO ranking	PEFINDO rating position Long Term pada idA+
Audit Findings	Monitoring audit findings (Internal & External) completed on time
NOA Medium Retail Micro	Increasing Medium Retail Micro Debtors
3 Internal Bussiness Process	
Bank Soundness Level	Minimum Bank Soundness Level at Composite Rating 2 and Risk Profile assessment at "Low to Moderate" risk rating
GCG	Consistency of GCG implementation in accordance with OJK provisions and laws and regulations with a "Good" rating (rank 2)
Initiation Project	Ensuring Project Initiation is in accordance with the timeline
Active & Passive Coaching	Branch Monitoring every 3 (three) months
Policy and Process	Ensuring the implementation of policy updates according to the timeline

Director of Micro, Retail & Medium KPI	
Perspective	KPI
Sustainable Finance Action Plan	Ensuring the implementation of RAKB in accordance with the provisions of the timeline
Implementation of Digital Banking	Application of e-Loans and digital-based products
4 Learning and Growth	
Policy Socialization	Ensuring employee competency improvement through policy socialization
Employee Competency	Ensuring employee competency improvement by implementing training
HR transformation	Implementation of Corporate Culture in all work units

Director of Risk Management KPI	
Perspective	KPI
1 Financial	
Loan Expansion	Loan Achievement
Profit	Profit Achievement
NPL	NPL (Gross)
TPF collection	Achievement of Total TPF
Efficiency	Financial ratios Operating Expenses Operating Income
Extracomtable	Obtain extracom
Restructurisation	Restructuring (3,4,5)
2 Customer	
Service Standard ranking	Service standard ranking position (Best Overall Performance Service Excellent) minimum 2nd position Best Overall Performance Service Excellent from MRI for the Regional Development Bank category
PEFINDO ranking	PEFINDO rating position Long Term pada idA+
Audit Findings	Monitoring audit findings (Internal & External) completed on time
Reporting accuracy	STR and CTR reporting in accordance with the regulations
Audit follow-up	Monitor the completion of Follow-up Audits which are more than 3 (three) months
Legal	Monitoring the activities of legal opinions and power of attorney according to the target
3 Internal Bussiness Process	
Bank Soundness Level	Minimum Bank Soundness Level at Composite Rating 2 and Risk Profile assessment at "Low to Moderate" risk rating
GCG	Consistency of GCG implementation in accordance with OJK provisions and laws and regulations with a "Good" rating (rank 2)
Initiation Project	Ensuring Project Initiation is in accordance with the timeline



Director of Risk Management KPI

Perspective	KPI
Active & Passive Coaching	Branch Monitoring every 3 (three) months
Policy and Process	Ensuring the implementation of policy updates according to the timeline
Sustainable Finance Action Plan	Ensuring the implementation of RAKB in accordance with the provisions of the timeline
Rules Making Rule	Ensuring the implementation of the Rules Making Rule is in accordance with the timeline
4 Learning and Growth	
Policy Socialization	Ensuring employee competency improvement through policy socialization
Employee Competency	Ensuring employee competency improvement by implementing training
HR transformation	Implementation of Corporate Culture in all work units

Director of IT & Digital KPI

Perspective	KPI
1 Financial	
Loan Expansion	Loan Achievement
Profit	Profit Achievement
NPL	NPL (Gross)
TPF Collection	Achievement of Total TPF
Efficiency	Financial ratios Operating Expenses Operating Income
Fee Based Income	Growth Fee Based Income (FBI)
Echannel	E-channel Usage Growth
Remittances	Increase the number of Incoming Transfer and Outgoing Transfer transactions
2 Customer	
Service Standard ranking	Service standard ranking position (Best Overall Performance Service Excellent) minimum 2nd position Best Overall Performance Service Excellent from MRI for the Regional Development Bank category
PEFINDO ranking	PEFINDO rating position Long Term pada idA+
Audit Findings	Monitoring audit findings (Internal & External) completed on time
Digitization	J-Connect Digitization Improvements
3 Internal Bussiness Process	
Bank Soundness Level	Minimum Bank Soundness Level at Composite Rating 2 and Risk Profile assessment at "Low to Moderate" risk rating
GCG	Consistency of GCG implementation in accordance with OJK provisions and laws and regulations with a "Good" rating (rank 2)

Director of IT & Digital KPI

Perspective	KPI
Initiation Project	Ensuring Project Initiation is in accordance with the timeline
Active & Passive Coaching	Branch Monitoring every 3 (three) months
Policy and Process	Ensuring the implementation of policy updates according to the timeline
Sustainable Finance Action Plan	Ensuring the implementation of RAKB in accordance with the provisions of the timeline
IT Operations	Keeping IT Operations running at 97% SLA
4 Learning and Growth	
Policy Socialization	Ensuring employee competency improvement through policy socialization
Employee Competency	Ensuring employee competency improvement by implementing training
HR transformation	Implementation of Corporate Culture in all work units

Director of Operations KPI

Perspective	KPI
1 Financial	
Eksansi Kredit	Pencapaian Kredit
Laba	Pencapaian Laba
NPL	NPL (Gross)
Penghimpunan DPK	Pencapaian Total DPK
Efisiensi	Rasio keuangan BOPO
Fee Based Income	Growth Fee Based Income (FBI)
2 Customer	
Service Standard ranking	Service standard ranking position (Best Overall Performance Service Excellent) minimum 2nd position Best Overall Performance Service Excellent from MRI for the Regional Development Bank category
PEFINDO ranking	PEFINDO rating position Long Term pada idA+
Audit Findings	Monitoring audit findings (Internal & External) completed on time
Customer Complaints	Follow up on customer complaints both from the Contact Center and through branch offices to be resolved in a maximum of 14 working days
Service Standards	Branch service performance reports based on monthly customer satisfaction feedback recapitulation of 85% per month
3 Internal Bussiness Process	
Bank Soundness Level	Minimum Bank Soundness Level at Composite Rating 2 and Risk Profile assessment at "Low to Moderate" risk rating

Director of Operations KPI	
Perspective	KPI
GCG	Consistency of GCG implementation in accordance with OJK provisions and laws and regulations with a "Good" rating (rank 2)
Initiation Project	Ensuring Project Initiation is in accordance with the timeline
Active & Passive Coaching	Branch Monitoring every 3 (three) months
Policy and Process	Ensuring the implementation of policy updates according to the timeline
Sustainable Finance Action Plan	Ensuring the implementation of RAKB in accordance with the provisions of the timeline
Card Centre	Ensure timely completion of Card Center operations
Efficiency	Conduct Negotiation Efficiency, Self-Estimated Price (HPS), Cost of Procurement of Goods, Office Stationery, Printing Goods and inventory fixed assets
4 Learning and Growth	
Policy Socialization	Ensuring employee competency improvement through policy socialization
Employee Competency	Ensuring employee competency improvement by implementing training
HR transformation	Implementation of Corporate Culture in all work units

Director of Compliance KPI	
Perspective	KPI
1 Financial	
Loan Expansion	Loan Achievement
Profit	Profit Achievement
NPL	NPL (Gross)
TPF Collection	Achievement of Total TPF
Efficiency	Financial Ratios Operating Expenses Operating Income
Fee Based Income	Growth Fee Based Income (FBI)
2 Customer	
Service Standard ranking	Service standard ranking position (Best Overall Performance Service Excellent) minimum 2nd position Best Overall Performance Service Excellent from MRI for the Regional Development Bank category
PEFINDO ranking	PEFINDO rating position Long Term pada idA+
Audit Findings	<i>Monitoring audit findings (Internal & External) completed on time</i>
Reporting accuracy	STR and CTR reporting in accordance with the regulations
Audit follow-up	Monitor the completion of Follow-up Audits which are more than 3 (three) months
Legal	Increase the percentage of settlement of cases better than the previous year.

Director of Compliance KPI	
Perspective	KPI
Governance Function	Report on the Implementation of Duties and Responsibilities of the Director in charge of the Compliance Function to the President Director and the Board of Commissioners (Quarterly)
3 Internal Business Process	
Bank Soundness Level	Minimum Bank Soundness Level at Composite Rating 2 and Risk Profile assessment at "Low to Moderate" risk rating
GCG	Consistency of GCG implementation in accordance with OJK provisions and laws and regulations with a "Good" rating (rank 2)
Initiation Project	Ensuring Project Initiation is in accordance with the timeline
Active & Passive Coaching	Branch Monitoring every 3 (three) months
Policy and Process	Ensuring the implementation of policy updates according to the timeline
Sustainable Finance Action Plan	Ensuring the implementation of RAKB in accordance with the provisions of the timeline
Rules Making Rule	Ensuring the implementation of the Rules Making Rule is in accordance with the timeline
Pelaksanaan Fungsi Kepatuhan	Review of Internal Regulations and Reconciliation of External Regulations
4 Learning and Growth	
Policy Socialization	Ensuring employee competency improvement through policy socialization
Employee Competency	Ensuring employee competency improvement by implementing training
HR transformation	Implementation of Corporate Culture in all work units

PARTIES THAT DO THE ASSESSMENT

The performance evaluation of the Board of Directors was carried out by the Board of Commissioners and the GMS.

Performance Assessment of The Board of Commissioners

PROCEDURES FOR THE IMPLEMENTATION OF THE PERFORMANCE OF THE BOARD OF COMMISSIONERS

Assessment of the performance of the Board of Commissioners was carried out through the following procedures or mechanisms:

1. Performance Assessment of the Board of Commissioners by the GMS.

The Board of Commissioners' Performance Assessment was carried out by the Shareholders at the Annual General Meeting of Shareholders (GMS) when submitting the Report on the Board of Commissioners' supervisory duties to the GMS in the Company's annual report.

2. **Assessment of the performance of the Board of Commissioners through the preparation of a Self Assessment** Assessment of the performance of the Board of Commissioners of Bank Jatim was carried out by means of a self-assessment which is determined by considering the duties and obligations in accordance with the Company's Articles of Association and applicable laws and regulations.

The policies and procedures for implementing the performance appraisal of the Board of Commissioners of Bank Jatim were determined and agreed upon by the Board of Commissioners at the Board of Commissioners' meeting. The policy for assessing the performance of the Board of Commissioners was stipulated in Decree Number 059/009/DK/KEP dated December 22, 2020 concerning Amendment to the Decree of the Board of Commissioners Number 059/005/DK/KEP dated April 29, 2020 concerning Work Paper on the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan East Java Region Tbk.

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.
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

- 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).

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 2022 period in the Annual GMS to be held in 2023.

Results of The Board of Commissioner Performance Assessment 2022 Period

Performance Assessment of The Board of Commissioners Semester II / 2022 Working Paper (Self 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. (minimum 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
		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. (minimum 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

Performance Assessment of The Board of Commissioners Semester II / 2022 Working Paper (Self Assessment)								
No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final Score	
		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						35,00	35,0	
2	A c t i v e 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 2022 were carried out 16 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 2022 were carried out 18 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)	Implementation of a review of the Bank's business & financial performance reports in 2022 carried out in the Board of Commissioners and Directors meetings according to the target (9 times)	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 supervisory and coaching functions	Minimum 3 times a year	Implementation Visits to branches in order to carry out the supervisory and coaching functions were carried out 5 times	1	5	5	
Sub Total						45	45,00	
3	Company Performance	POS NERACA	TARGET RBB 2022	REALISASI 2022				
		a. Rentabilitas	TARGET	REALISASI				
		- Laba Bersih	1.530.884	1.542.824	1	2,5	2,5	
		- Return on Asset (ROA)	1,90%	1,95%	0	2,5	2,5	
		b. Likuiditas	TARGET	REALISASI				
		- Dana Pihak Ketiga (DPK)	85.803.143	81.767.383	1	2,5	2,25	
		- LDR	52,89%	56,50%	0	2,5	2,25	
		c. Perkreditan	TARGET	REALISASI				
		- Ekspansi Kredit	45.487.247	46.196.567	0	2,5	2,5	
		- NPL	3,95%	2,83%	1	2,5	2,5	
Sub Total						15	14,75	
4	Learning Growth	& Competency development (Workshops, conferences, etc.)	introduction/ programs seminars,	Minimum 3 times a year	The implementation of the Board of Commissioners Workshop/ seminar in 2022 was carried out according to the target	1	5	5
Sub Total						5,00	5,00	
TOTAL						100,00	99,75	

Performance Assessment of The Committee Under The Board of Commissioners and The Basis of The Assessment

In order to increase the role of the Board of Commissioners in carrying out the supervisory function, the Board of Commissioners is assisted by 3 (three) committees namely the Audit Committee, the Remuneration and Nomination Committee, and the Risk Monitoring Committee. The procedure for evaluating the performance of the Committees under the Board of Commissioners periodically (annually) evaluated the effectiveness of the performance of the Committees under the Board of Commissioners.

The evaluation criteria for the Committees under the Board of Commissioners were based on the Key Performance Indicators that had been set for each Committee under the Board of Commissioners. KPI Committees under the Board of Commissioners consist of 3 (three) aspects, namely Active Supervision, Passive Supervision and Competency Development. The Board of Commissioners considers that during 2022 the Committees have carried out their duties and responsibilities quite effectively and worked independently and provided useful input/recommendations for the Board of Commissioners. The achievements of each KPI Committee were as follows.

Achievements of Key Performance Indicator Audit Committee

The procedure for implementing the performance appraisal of the Audit Committee is determined and agreed upon with the Board of Commissioners in a meeting of the Board of Commissioners with the Committee. The performance assessment of the Audit Committee is carried out by means of a self-assessment which is determined by considering its duties and obligations in accordance with the rules and work programs that have been determined.

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
1	Passive Surveillance	Evaluation of Annual Historical Financial General Audit Results from KAP (Public Accounting Firm)	Implemented according to the provisions and on time according to the target.(at least once 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	5	5
		Evaluation 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	0,75	5	3,75
		Evaluation of Special Audit & Fraud Follow-up from the Internal Audit Division	Implemented according to the provisions and on time according to the target.(at least once a year)	Evaluation of Special Audit & Fraud Follow-up from the Internal Audit Division was carried out in accordance with the provisions and targets set	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
		Reviewing projected financial information and other reports related to financial information.	Held every quarter (4x a year)	Reviewing projected financial information and other reports related to financial information held 3 times a year	0,75	5	3,75
		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.(at least once a year)	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
		Monitor the implementation of the Anti-Fraud Strategy (SAF) and Gratification Control	Held every semester (2x a year)	Monitor the implementation of the Anti Fraud Strategy (SAF) and Gratification Control in accordance with the set targets	1	5	5

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final score
		Review and provide advice to the Board of Commissioners regarding potential conflicts of interest	Implemented according to the provisions and on time according to the target. (at least once a year)	Review and provide advice to the Board of Commissioners regarding potential conflicts of interest carried out in accordance with the provisions	1	5	5
		Coordination with the Internal Audit Division after the progress reports are received by the Audit Committee	Held every semester (2x a year)	Coordinate with the Internal Audit Division after the progress report is received by the Audit Committee once a year	0,5	5	2,5
		Make an annual report on the implementation of the activities of the Audit Committee in the Annual Report	Implemented according to the provisions and on time according to the target.(at least once a year)	The Audit Committee made an annual report on the implementation of the activities of the Audit Committee in the Annual Report in accordance with the provisions	1	5	5
		Evaluation of the implementation of compliance with internal and external regulations	Held every semester (2x a year)	Evaluation of the implementation of compliance with internal and external regulations in accordance with the provisions and targets set	1	5	5
Sub Total						60	55
2	Active Surveillance	Audit Committee Meeting	Held every quarter (4x a year)	The implementation of the Audit Committee Meeting during 2022 was held 7 times	1	15	15
		Coordination Meeting with Related Divisions	Held every semester (2x a year)	The implementation of the Audit Committee Meeting during 2022 was held 6 times	1	10	10
		Visits and communicate directly with employees, including the Board of Directors, SKAI, SKMR, and Accountants regarding the duties and responsibilities of the Audit Committee	Held every semester (2x a year)	Execution of Visits to branch offices in order to carry out the supervisory function in 2022; and make visits and communicate with the Board of Directors and Divisions related to the duties and responsibilities of the Audit Committee	1	10	10
Sub Total						35	35
3	Competency Development		Implemented according to the provisions and on time according to the target. (3x a year)	Self competency development by updating the understanding of external and internal regulations of the Audit Committee in 2022 has only been carried out 1 time	0,33	2,5	0,83
			Implemented according to the provisions and on time according to the target. (2x a year)	Implementation of Workshops/ Seminars/training/certification of the Audit Committee in 2022 was held 2 times	1	2,5	2,5
Sub Total						5	3,33
Total						100	93,33
Total Rating				Description			
Nilai 80 – 100				Very good			
Nilai 70 - < 80				Good			
Nilai 55 - < 70				Pretty good			
Nilai < 55				Poor			

Achievements of Key Performance Indicator Remuneration and Nomination Committee

The procedure for implementing the performance appraisal of the Remuneration and Nomination Committee is determined and agreed upon with the Board of Commissioners in the Board of Commissioners' Meeting with the Committee. The performance appraisal of the Remuneration and Nomination Committee is carried out by means of a self-assessment which is determined by considering its duties and obligations in accordance with the rules and work programs that have been determined.

No	Aspect	Indicator	Target	Realization	Score	Value (%)	Final Score
1	Passive Surveillance	Prepare the composition and process of Nomination for Bank Management (Board of Commissioners and Directors)	Prepare Time Table and carry out the nomination process for Bank Management according to the time needed	Implemented according to the set target	1	10	10
		Develop policies and criteria needed in the nomination process for prospective Bank Management (Board of Commissioners and Directors)	Formulate policies and criteria for nomination of candidates for Bank Management according to the stipulated time	Implemented according to the set target	1	10	10
		Assist in the evaluation of the performance of the Company's Management	Carry out performance evaluations of the Company's Management at least 2 times a year (every semester)	Implemented according to the set target	1	10	10
		Reviewing and proposing candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS	Carry out a review and provide proposals for candidates for the Company's Management who meet the requirements to the Board of Commissioners according to the time table set	Implemented according to the set target	1	10	10
		Develop structure and policies on the Company's Management Remuneration (Board of Commissioners and Directors)	Conducted at least 1 (one) time a year	Implemented according to the set target	1	10	10
		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
2	Active Surveillance	Rapat Komite Remunerasi dan Nominasi	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			
Rating 80 – 100				Very good			
Rating 70 - < 80				Good			
Rating 55 - < 70				Pretty good			
Rating < 55				Poor			

ACHIEVEMENTS OF KEY PERFORMANCE INDICATOR RISK MONITORING COMMITTEE

The procedure for implementing the performance appraisal of the Risk Monitoring Committee was determined and agreed upon with the Board of Commissioners in the Board of Commissioners' Meeting with the Committee. The performance assessment of the Risk Monitoring Committee was carried out by means of a determined self-assessment considering its duties and obligations in accordance with the rules and work programs that had been determined.

No	Aspek	Indicator	Target	Realization	Score	Value (%)	Final Score
1	Passive Surveillance	Monitoring and evaluation of the Bank's Risk Profile quarterly position	Held every quarter (4x a year)	Monitoring and evaluation of the Bank's Risk Profile quarterly position in accordance with the provisions	1	5	5
		Evaluation of Bank Soundness Level (TKB) Quarterly achievement	Held every quarter (4x a year)	Evaluation of achievement of Quarterly Bank Soundness Level (TKB) was only carried out 2 times this year	0,5	5	2,5
		Evaluation of conformity between the Risk Management Policy (KMR) and the implementation of Bank policies	Held every semester (2x a year)	Evaluation of the suitability of risk management policies with the implementation of Bank policies carried out in accordance with the provisions	1	5	5
		Monitoring and evaluating the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko)	Held every semester (2x a year)	Monitoring and evaluating the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko) carried out in accordance with the provisions	1	5	5
		Monitor & evaluate the adequacy of the process of identification, measurement, monitoring and control of Risk Management	Held every semester (2x a year)	Monitor & evaluate the adequacy of the process of identification, measurement, monitoring and control of Risk Management carried out in accordance with the provisions	1	5	5
		Monitoring and evaluating contingency plans in Business Continuity Management (BCM)	Implemented according to the provisions and on time according to the target. (at least once a year)	Monitoring and evaluating contingency plans in Business Continuity Management (BCM) carried out in accordance with the provisions	1	5	5
		Monitoring and evaluating the implementation of the principles of Good Corporate Governance (GCG)	Held every semester (2x a year)	Monitoring and evaluating the implementation of the principles of Good Corporate Governance (GCG) carried out in accordance with the provisions	1	5	5
		Monitoring of large exposure debtors above IDR100 billion	Held every semester (2x a year)	Monitoring of large exposure debtors above IDR100 billion was only carried out once this year	0,5	5	2,5
		Opinions on credit or financing applications for the large exposure category, and approval of credit or financing applications from Related Parties	Held every semester (2x a year)	Opinions on credit or financing applications for the large exposure category, and approval of credit or financing applications from Related Parties carried out in accordance with the provisions	1	5	5
		Company Manual Review includes: • Main Policy of the Bank's Strategic Governance Policy (KPB KST)	Implemented according to the provisions and on time according to the target. (at least once a year)	Company Manual Review includes: • Main Policy of the Bank's Strategic Governance Policy (KPB KST) carried out in accordance with the provisions	1	2,5	2,5



No	Aspek	Indicator			Target	Realization	Score	Value (%)	Final Score
		Company Manual Review includes: • Financing (KPA PAP);			Implemented according to the provisions and on time according to the target. (at least once a year)	Company Manual Review includes: • Financing (KPA PAP); carried out in accordance with the provisions	1	2,5	2,5
		Company Manual Review includes: • KPA AML CFT			Implemented according to the provisions and on time according to the target. (at least once a year)	Company Manual Review includes: • KPA AML CFT carried out in accordance with the provisions	1	2,5	2,5
		Company Manual Review includes: • Prime Customer Service SOP			Implemented according to the provisions and on time according to the target. (at least once a year)	Company Manual Review includes: • SOP for Prime Customer Service was not implemented this year	0	2,5	0
		Review Corplan, RSTI and RBB before being approved by the Board of Commissioners			Implemented according to the provisions and on time according to the target. (at least once a year)	Review Corplan, RSTI and RBB before being approved by the Board of Commissioners carried out in accordance with the provisions	1	5	5
Sub Total							60	52,50	
2	Active Surveillance	Risk Monitoring Committee Meeting			Held every quarter (4x a year)	The implementation of the Risk Monitoring Committee Meeting during 2022 was held 6 times	1	15	15
		Coordination meeting with divisions related to the Bank's strategic issues			Held every semester (2x a year)	The implementation of the Risk Monitoring Committee Meeting during 2022 was held 6 times	1	10	10
		Visits to work units and office networks in the context of: Monitoring the implementation of risk management in the Bank's activities and products; Monitoring the implementation of Governance principles			Held every semester (2x a year)	Execution of Visits to branch offices in order to carry out the supervisory function in 2022; and make visits and communicate with the Board of Directors and Divisions related to the duties and responsibilities of the Risk Monitoring Committee	1	10	10
Sub Total							35	35	
3	Competency Development	Self competency development by updating the understanding of external and internal regulations			Implemented according to the provisions and on time according to the target. (2x a year)	Self competency development by updating the understanding of external and internal regulations of the Risk Monitoring Committee in 2022 will only be carried out 1 time	0,5	2,5	1,25
		Competency improvement programs, attending education, training and seminars and or certification			Implemented according to the provisions and on time according to the target. (2x a year)	The implementation of the Workshop/seminar/Risk Monitoring Committee in 2022 was held 2 times	1	2,5	2,5
Sub Total							5	3,75	
Total							100	91,25	
Total Rating					Description				
Rating 80 – 100					Very good				
Rating 70 - < 80					Good				
Rating 55 - < 70					Pretty good				
Rating < 55					Poor				

Mechanism of Termination and Withdrawal of The Board of Commissioners

The mechanism for dismissal and resignation of the Board of Commissioners based on the Articles of Association are as follows:

1. Members of the Board of Commissioners are appointed and terminated by the GMS.
 - a. Member of the Board of Commissioners may submit a request to resign from his/her position by notifying in writing of this purpose to the Controlling Shareholders of the Company.
 - b. The company is obliged to hold a GMS to decide on the resignation application as referred to in letter a, no later than 90 (ninety) days after the resignation letter is received.
 - c. Before the resignation becomes effective, the relevant members of the Board of Commissioners are still obliged to complete their duties and responsibilities in accordance with the articles of association and laws and regulations.
2. The position of a member of the Board of Commissioners ends if:
 - a. Lossing Indonesian Citizenship.
 - b. Resignation with due observance of the provisions of paragraph (11) of Article 11 of the Articles of Association
 - c. No longer meets statutory requirements.
 - d. Passed away.
 - e. The term of office has ended.
 - f. Was dismissed based on the resolution of the GMS.
 - g. Was declared bankrupt or placed under pardon based on a court decision.

Sharia Supervisory Board

The Sharia Supervisory Board (DPS) has the duty and authority to provide advice and advice to the Board of Directors, oversee the sharia aspects of the operational activities of the Sharia Business Unit (UUS) at the National Sharia Council - Indonesian Ulema 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 Working Procedures of the Sharia Supervisory Board

The Guidelines and Rules of the Sharia Supervisory Board are currently in the process of being ratified. However, in carrying out its duties the Sharia Supervisory Board refers to the Company's Articles of Association which regulates the requirements for the Sharia Supervisory Board, duties and responsibilities, and term of office.

Composition and Basis of Appointment of The Sharia Supervisory Board

Members of the Sharia Supervisory Board consist of at least 2 (two) person and a maximum of 3 (three) person, one of whom is the Chairman. Members of the Sharia Supervisory Board are appointed by the GMS or on the recommendation of the National Sharia Council - Indonesian Ulama Council in accordance with applicable laws and regulations, without prejudice to the rights of the GMS to dismiss members of the Sharia Supervisory Board at any time in accordance with laws and regulations.

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

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 2022, 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 at Other Companies/Institutions	Name of Company/Other Institution
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	Chairman	The Salafiyah Syafi'iyah Islamic Boarding School Foundation, Sukorejo
		Vice Chairman	Deputy Rais Aam PBNU 2022 - 2027
Dr. H. M. Saad Ibrahim, MA	Member	Chairman	Regional Leaders of Muhammadiyah East Java

Ownership of Sharia Supervisory Board

Table of Sharia Supervisory Board' Share Ownership

Name	Position	Share Ownership in Bank Jatim			
		Bank Jatim	Other Banks	Non-bank financial institutions	Other Companies
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	Nil	Nil	Nil	Nil
Dr. H. M. Saad Ibrahim, MA	Member	Nil	Nil	Nil	Nil

Meeting of Sharia Supervisory Board

Internal Meeting of Sharia Supervisory Board

Throughout 2022, the agenda, dates and participants of the Sharia Supervisory Board Meeting were as follows.

Table of Sharia Supervisory Board Meeting

No.	Tanggal	Agenda	Partisipant
1	January 6, 2022	FGD Funding Hajj Bailouts and Using Sponsored Banks with Conventional Commercial Bank Status for BI Fast	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
2	January 7, 2022	Discussion of Opinion on the Use of Sponsored Banks with Conventional Commercial Bank Status for BI Fast	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
3	January 7, 2022	Discussion on PT Trihamas Finacnce Syariah Hajj Bailout Opinion	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
4	March 24, 2022	Discussion of the iB Barokah Santri Savings Opinion	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
5	April 11, 2022	Discussion of BSI Hasanah Card Co-Branding Opinion	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
6	July 28, 2022	Discussion of Opinion on the Development of Payment Open API National Standards	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
7	August 29, 2022	Discussion of Opinion on Acceptance of Initial Deposits and Payment of Hajj Through E-Channel	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
8	October 4, 2022	FGD Partial Repayment of Employee Financing	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
9	October 4, 2022	Discussion of Opinion on Partial Repayment of Employee Financing	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA
10	November 1, 2022	Discussion of Opinion on Cash Collateral Financing (CCF)	- Dr. KH. Afifuddin Muhajir, M.Ag - Dr. H.M. Saad Ibrahim, MA

Meeting Frequency and Participants

During 2022, the Sharia Supervisory Board has held 10 (ten) internal meetings. The frequency and participants of each member of the Sharia Supervisory Board can be seen in the table below.

Table of Frequency and Participants of Sharia Supervisory Board Meetings

Name	Position	Sharia Supervisory Board meeting		
		Number and Percentage of Attendance		
		Number of Meetings	Total Attendance	Percentage
Dr. KH. Afifuddin Muhajir, M.Ag	Chairman	10	10	100%
Dr. H. M. Saad Ibrahim, MA	Member	10	10	100%

Frequency and Method of Providing Advice as well as Supervision of Compliance with Sharia Principles in the Capital Market to Issuers or Public Companies

Advice and suggestions were given on several occasions. One of them was when the DPS meeting was also attended by management. Throughout 2022 DPS has issued 8 (eight) Sharia Supervisory Board Opinions. DPS has carried out its duties by supervising the fulfillment of Sharia Principles of Bank Jatim and issuing opinions including:

1. Sharia Supervisory Board Opinion Regarding the Use of Sponsor Banks with Conventional Commercial Bank Status for BI Fast
2. Sharia Supervisory Board Opinion Regarding PT Trihamas Finacnce Syariah Hajj Bailout
3. DPS Opinion Regarding iB Barokah Santri Savings
4. DPS Opinion Regarding BSI Hasanah Card Co-Branding
5. DPS Opinion Regarding the Development of Payment Open API National Standards
6. DPS Opinion Regarding Acceptance of Initial Deposits and Payment of Hajj Through E-Channel
7. DPS Opinion Regarding Repayment of Partial Employee Financing
8. DPS Opinion Regarding Cash Collateral Financing (CCF)



Sharia Supervisory Board Performance Assessment

Procedure for Implementation of Performance Assessment of the Sharia Supervisory Board

Performance appraisal is carried out by self assessment and submitted to the Board of Commissioners and the GMS.

Sharia Supervisory Board Performance Evaluation Criteria

The DPS performance assessment is based on the implementation of the DPS duties in 2021. The implementation of the DPS duties can be seen from the number of meetings held and the opinions and recommendations that have been issued.

The party conducting the assessment

DPS conducts an independent assessment of DPS performance in 2021 (self-assessment).

Results of the Performance Assessment of the Sharia Supervisory Board

During 2022, the Sharia Supervisory Board has carried out its role properly. By holding 10 (ten) meetings and issuing opinions or recommendations regarding the activities of the Sharia Business Unit Business.

Nomination and Remuneration of the Board of Commissioners and Board of Directors

Board of Commissioners and Board of Directors Nomination Procedures

In the nomination process for the Board of Commissioners and the Board of Directors of Bank Jatim, policies related to the selection/replacement of members of the Board of Commissioners and Directors had been formulated, namely the System and Procedure for the Selection and/or Substitution of Members of the Board of Commissioners and Directors. This policy was prepared and adjusted based on regulations related to the Company including POJK No. 33/POJK.04/2014 concerning the Board of Directors and

Board of Commissioners of Issuers or Public Companies and other related regulations regarding procedures for selecting/replacing members of the Board of Commissioners/Directors.

The purpose of formulating this policy on the selection and/or replacement of members of the Board of Commissioners and the Board of Directors was to serve as a guide in the process of selecting/replacing members of the Board of Commissioners in accordance with applicable regulations, as well as to ensure the implementation of good corporate governance in every process of nomination/election of members of the Board of Directors Commissioner.

The nomination/election process for the Board of Commissioners and the Board of Directors was proposed to the GMS by considering the recommendations from the Remuneration and Nomination Committee. The stages of the nominations included the following:

1. Announcement of acceptance of vacancies for candidates for members of the Board of Commissioners and/or Directors.
2. Administrative selection.
3. Implementation of the assessment by the appointed Independent institution.
4. Evaluation of assessment results.
5. Final interview.
6. Implementation of the Fit and Proper Test by the Financial Services Authority.
7. Appointment of selected candidates at the GMS.

Remuneration Determination Procedure

The stages in determining the remuneration of the management can be described as follows:

1. Remuneration and Nomination Committee evaluates the remuneration policy in coordination with the Division in charge of Human Resources.
2. Remuneration and Nomination Committee submits the results of the remuneration evaluation to the Board of Commissioners.
3. Board of Commissioners submits remuneration proposals and recommendations for management to the General Meeting of Shareholders (GMS)

The stages in determining the remuneration of the management can be described as follows:



External Consultant Related to the Remuneration Policy

Proposals and recommendations from the Board of Commissioners to the General Meeting of Shareholders (GMS) can be in the form of:

1. Approval of the structure, scale, form and amount of remuneration; or
2. Giving power to the Board of Commissioners to determine the structure, scale, form and amount of remuneration.

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 of Commissioners and Board of Directors

Remuneration Structure for Members of the Board of Commissioners and the Board of Directors Remuneration for the Board of Commissioners and Directors is provided with due observance to the prevailing remuneration provisions, namely in the form of:

1. Remuneration is permanent in nature, is remuneration that is not related to performance and risks, including salaries/ honoraria, housing allowances, communication allowances, holiday allowances, annual leave pay, health facilities, other allowances that are comparable to this.
2. Variable remuneration is remuneration related to performance and risks, including production services, performance bonuses, bonuses or other forms that can be equated with the above. Remuneration in the form of bonuses is given in cash and shares or share instruments issued by Bank Jatim.

Table of Remuneration Structure for the Board of Commissioners and Directors

No	Types of Income	Description	
		Board of Commissioners	Board of Directors
1.	Honorarium	President Commissioner 45% of the honorarium of the President Director Commissioner 90% of the honorarium of the President Commissioner	President Director 100% Director 90% of the honorarium of the President Director
2.	Allowance	Holiday allowance 2 (two) times honorarium	Holiday allowance 2 (two) times honorarium
		Housing Allowance is given on a monthly basis if you do not occupy an official residence	Housing Allowance is given on a monthly basis if you do not occupy an official residence
		Annual Leave Allowance 1 (one) time honorarium	Annual Leave Allowance 1 (one) time honorarium
		Communication allowance is given in lump sum every month	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

No	Types of Income	Description	
		Board of Commissioners	Board of Directors
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: 061/03/06/DKM/KEP dated August 25, 2022	Inpatient and outpatient health facilities according to internal regulations Number: 061/03/06/DKM/KEP dated August 25, 2022
		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.

Nominal Remuneration Components of Board of Commissioners and Directors

Table of Nominal Amount of Remuneration for the Board of Commissioners and Directors

Number of Remuneration and Other Facilities	Amount Received			
	Board of Commissioners		Board of Directors	
	Total Person	Total in (IDR) Million	Total Person	Total in (IDR) Million
Remunerasi				
Honorarium	5	3.165	9	6.942
Housing Allowance	5	1.553	9	1.936
Communication Allowance	5	560	9	620
Tantiem	3	7.576	5	27.559
Other Facilities in Kind				
Housing (cannot be owned)	-	-	-	-
COP Program Transport (can be owned)	3	2.800	2	1.800
Health (cannot be owned)	5	180	7	167
Total Remuneration in 1 Year				
Above IDR1 billion to 2 billion	3	12.971	7	46.061
Above IDR500 million to 1 billion	2	2.915	-	-
IDR500 million and below	-	-	-	-
IDR500 juta ke bawah	-	-	2	191

Policies on Diversity of Board of Commissioners and Board of Directors

The diversity of the composition of the Board of Commissioners and Directors as stipulated in the Appendix of the Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 concerning Governance Guidelines for Public Company has been accommodated in the Bank's Articles of Association. The appointment of the Board of Commissioners and Board of Directors is carried out by taking into account the experience and understanding of the banking industry, the integrity and dedication of each individual.

The composition of members of the Board of Commissioners and Board of Directors of Bank Jatim that is appropriate and in accordance with the needs of the Bank will support the effectiveness of carrying out the duties and responsibilities of the Board of Commissioners and Directors and support the achievement of the Bank's vision and mission to continue to grow and develop.

Diversity factors in the composition of the members of Board of Commissioners and Board of Directors include:

1. The expertise/experience of the Board of Commissioners, has at least:
 - a. 1 (one) member who has expertise/work experience in the field of economics/business /finance, and/or
 - b. 1 (one) member who has expertise/work experience in the banking industry, and
 - c. 1 (one) member who has expertise/work experience in the field of risk management.
2. Nationality
Members of the Board of Commissioners and Board of Directors are Indonesian citizens.
3. Gender
Currently all members of the Board of Commissioners of Bank Jatim are Male. Meanwhile, 4 (four) members of the Board of Directors are male and 1 (one) member of the Board of Directors is female.
4. Age
Members of the Board of Commissioners and Board of Directors have a variety of ages.
5. Independence
Board of Commissioners
 - a. Minimum 50% (fifty percent) of the members of the Board of Commissioners are Independent Commissioners.
 - b. The term of office of an Independent Commissioner is a maximum of 4 (four) years, and can be reappointed with due regard to applicable regulations.

Board of Directors

In accordance with POJK No. 46/POJK.03/2017 Concerning the Implementation of Compliance Functions of Commercial Banks, Bank Jatim has a Director who is in charge of the Compliance Function, namely the Compliance Director and Risk Management as a Director who meets the independence requirements

Composition Diversity of the Board of Commissioners

Table of Diversity in the Composition of the Board of Commissioners

Name	Position	Age	Gender	Education	Work experience	Expertise
Suprajarto*	President Commissioner	66 years old	Man	Bachelor of Economics Master of Management Doctor of Management Science	Having work experience as a Banker	Management, Banking
Candra Fajri Ananda	Independent Commissioner	58 years old	Man	Bachelor of Economics Master (MSc.) Doctor (Ph.D)	Having work experience in the fields of government, education and banking.	Economics
Muhammad Mas'ud	Independent Commissioner	58 years old	Man	Bachelor of State Administration Master of Management Doctor of International Politics	Having work experience in the fields of government and education	Administration, Management, International Politics
Sumaryono*	Independent Commissioner	62 years old	Man	Bachelor of Business Administration	Having experience as a Banker	Banking
Heru Tjahjono	Commissioner	61 years old	Man	Bachelor of Engineering Master of Management Doctor of Environment and Development	Having work experience in the government sector.	Management, Environment and Development

* Appointed at the Annual GMS for Fiscal Year 2021 on March 17, 2022.



Diversity Composition of the Board of Directors

Table of Diversity in the Composition of the Board of Directors

Name	Position	Term of Office	Age	Gender	Education	Work Experience	Expertise
Busrul Iman	President director	January 1, 2022– present	58 years old	Man	<ul style="list-style-type: none"> Bachelor in Economics Accounting; Master in Management; Accountant Profession. 	Have work experience in the banking sector	Management, Accounting
Rizyana Mirda*	Director of Business Risk	January 1, 2022 – March 17, 2022	53 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	January 1, 2022 – December 7, 2022	53 years old	Man	<ul style="list-style-type: none"> Bachelor in Agriculture; Master in Management. 	Have work experience in the banking sector	Management
	Director of Operations	December 7, 2022 – December 13, 2022					
	Pgs Director of Compliance	December 13, 2022 – present					
Ferdian Timur Satyagraha**	Director of Finance	January 1, 2022 – January 14, 2022	40 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	January 1, 2022 – December 7, 2022	60 years old	Man	<ul style="list-style-type: none"> Bachelor of Economics in Accounting; Master in Management. 	Have work experience in the banking sector	Accounting, Management
R. Arief Wicaksono	Director of Consumer, Retail and Sharia Business	March 17, 2022 – December 7, 2022	52 years old	Man	<ul style="list-style-type: none"> Bachelor in Industrial Technology Master in Management 	Have work experience in the banking sector	Management
	Director of Micro, Retail and Medium	December 7, 2022 – present					
Edi Masrianto	Director of Finance, Treasury & Global Services	March 17, 2022 – December 7, 2022	58 years old	Man	<ul style="list-style-type: none"> Bachelor in Management Economics Master in Agribusiness Management 	Have work experience in the banking sector	Management
	Director of Commercial & Corporate	December 7, 2022 – present					
Eko Susetyono	Director of Risk Management	December 7, 2022 – present	57 years old	Man	<ul style="list-style-type: none"> Bachelor in Food Technology and Nutrition Master in Corporate Finance and Investment Doctor of Management and Business 	Have work experience in the banking sector	Finance, Management
Zulhelfi Abidin	Director of IT & Digital	December 7, 2022 – present	60 years old	Man	<ul style="list-style-type: none"> Bachelor of Informatics Engineering Master in Computer Science 	Have work experience in the banking sector	Informatics Engineering
	Concurrently Pgs. Director of Operations	December 13, 2022 – present					

*Stop serving since the closing of the 2021 Annual GMS on March 17, 2022

**Resigned on January 14, 2022 and stopped serving since the closing of the 2021 Annual GMS on March 17, 2022

*** Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

Transparency of Share Ownership of Directors and Board of Commissioners

Share Ownership of Members of The Board of Directors

Name	Position	Term of Office	Share Ownership (shares)			
			Bank Jatim	Other Bank	Non-bank financial institutions	Other Companies
Busrul Iman	President director	January 1, 2022– present	1.946.500	None	None	None
Rizyana Mirda*	Director of Business Risk	January 1, 2022 – March 17, 2022	3,699,333			
Tonny Prasetyo	Director of IT and Operation	January 1, 2022 – December 7, 2022	628.500	None	None	None
	Director of Operations	December 7, 2022 – December 13, 2022				
	Pgs Director of Compliance	December 13, 2022 – present				
Ferdian Timur Satyagraha**	Director of Finance	January 1, 2022 – January 14, 2022	2,981,833	None	None	None
Erdianto Sigit Cahyono***	Director of Compliance and Risk Management	January 1, 2022 – December 7, 2022	588,100	None	None	None
R. Arief Wicaksono	Director of Consumer, Retail and Sharia Business	March 17, 2022– December 7, 2022	126.300	None	None	None
	Director of Micro, Retail and Medium	December 7, 2022 – present				
Edi Masrianto	Director of Finance, Treasury & Global Services	March 17, 2022 – December 7, 2022	None	None	None	None
	Director of Commercial & Corporate	December 7, 2022 – present				
Eko Susetyono	Director of Risk Management	December 7, 2022 – present	None	None	None	None
Zulhelfi Abidin	Director of IT & Digital	December 7, 2022 – present	None	None	None	None
	Concurrently Pgs. Director of Operations	December 13, 2022 – present				

*Stop serving since the closing of the 2021 Annual GMS on March 17, 2022

**Resigned on January 14, 2022 and stopped serving since the closing of the 2021 Annual GMS on March 17, 2022

*** Stopped serving since the closing of the Extraordinary GMS on December 7, 2022

Share Ownership of Members of The Board of Commissioners

Name	Position	Share Ownership (shares)			
		Bank Jatim	Other Bank	Non-bank financial institutions	Other Companies
Suprajarto*	President Commissioner	None	None	None	None
Candra Fajri Ananda	Independent Commissioner	None	None	None	None
Muhammad Mas'ud	Independent Commissioner	None	None	None	None
Sumaryono*	Independent Commissioner	None	None	None	None
Heru Tjahjono	Commissioner	274.200	None	None	None

* Appointed at the Annual GMS for Fiscal Year 2021 on March 17, 2022.

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

Information Disclosure Policy on Share Ownership of the Board of Commissioners and Directors was regulated in the Implementation Guidelines for Relations Corporate Secretary Investor Chapter IV in the following:



- Ownership Report or Any Change in Public Company Share Ownership

Reporting of members of the Board of Directors or members of the Board of Commissioners on ownership and any changes in ownership of the shares of the Public Company, either directly or indirectly, and any Party that owned shares, either directly or indirectly, should be at least 5% (five percent) of the paidup capital in the Public Company. Reporting obligations for parties who owned at least 5% (five percent) could be applied to changes in ownership of at least 0.5% (zero point five percent) in 1 (one) or several transactions. The report had to be submitted no later than 10 (ten) days from the occurrence of ownership or change in ownership of the shares of the Public Company.

Meanwhile, the submission of information by the Board of Directors/Board of Commissioners applied to each change of ownership. Reports to the Public Company shall be made no later than 3 (three) working days after the ownership or change in ownership of shares occurred. Reports carried out independently had to be submitted no later than 10 (ten) days from the occurrence of ownership or change in ownership of the shares of the Public Company. Reporting obligations could also be carried out by other parties (in this case the Corporate Secretary) through written power of attorney. Submission of a report through a proxy had to be made no later than 5 (five) days after the change in share ownership occurred and had to be accompanied by a copy of the power of attorney based on the applicable regulations.

In 2022, the disclosure of Share Ownership Information for the Board of Commissioners and Directors was in accordance with the applicable Implementation Guidelines. Purchase/sale of shares of the Board of Commissioners and Board of Directors in 2022 were as follows.

No	Name	Share Name	Number of Shares Before Transaction	Number of Shares After Transaction	Number of Shares purchased	Transaction date	Purpose of the Transaction
1	Heru Tjahjono	BJTM	141.400	274.200	132.800	14/06/2022	LTI program
2	Busrul Iman	BJTM	1.556.400	1.946.500	390.100	14/06/2022	LTI program
3	R.Arief Wicaksono	BJTM	0	126.300	126.300	27/04/2022	Investment
4	Tonny Prasetyo	BJTM	346.000	628.500	282.500	14/06/2022	LTI program
5	Erdianto Sigit Cahyono*	BJTM	305.600	588.100	282.500	14/06/2022	LTI program

*Stop serving since the closing of the Extraordinary GMS on December 7, 2022

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 followup decisions on meetings/considerations, opinions, suggestions and other decisions of the Board of Commissioners to the person in charge.
7. Report to the Company regarding the share ownership of members of the Board of Commissioners and/or their families in the Company and other Companies.
8. Prepare a report on the supervisory duties that have been carried out by the Board of Commissioners during the previous financial year to the GMS.
9. Coordinate with the Committees of the Board of Commissioners in preparing reports on the results of supervision of the implementation of the Company's Business Plan every semester to OJK in accordance with the prevailing laws and regulations.
10. Coordinate the drafting of the Board of Commissioners' Annual Work Plan and Budget which is an integral part of the Company's Annual Work Plan and Budget prepared by the Board of Directors.
11. Coordinate the preparation of suggestions and opinions regarding the agenda and materials of the GMS, including but not limited to:
 - a. Coordinating the agenda and materials with related parties.
 - b. Prepare materials that are the responsibility of the Board of Commissioners, and provide opinions on the material as a whole.
12. Coordinate the participation of the Board of Commissioners and Committees under the Board of Commissioners in training/seminars/other competency development activities in accordance with the respective areas of supervision of the Board of Commissioners/ Committees.
13. Carry out other duties to support the smoothness of the supervisory and advisory duties carried out by the Board of Commissioners.

The Implementation of The Secretariat of The Board of Commissioners

During 2022 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 and dismissal of Public Accountants (AP) and KAP based on independence, scope of assignment, and compensation for services.



5. Review the implementation of inspections by the Internal Audit Work Unit (SKAI) and monitoring the follow-up implementation
6. Review complaints related to the accounting process and financial reports of the Bank.
7. Review and provide advice to the Board of Commissioners regarding the potential conflict of interests of the Bank.
8. Maintain the confidentiality of Bank documents, data and information.
9. Monitor the adequacy of the financial reporting process such as quarterly financial reports, annual reports, publication reports, projections and other financial information that will be submitted to the public, Bank Indonesia and other regulatory agencies
10. Review the adequacy of the Internal Audit function, including the number of auditors, the annual work plan and budget as well as the work that has been carried out
11. Monitor the planning and implementation of audits as well as following up on the results of audits conducted by Management and other related Operational Work Units
12. Monitor and evaluate the performance or implementation of the duties of the SKAI function
13. Evaluation of audit implementation by KAP included the adequacy of work programs and review of KAP audit plans including those related to internal control structures, material items and risk management

Audit Committee Charter

In implementing the principles of good governance, the Audit Committee had work guidelines set out in the Decree of the Board of Commissioners Number 061/04/DKM/KEP dated June 28, 2022, which regulated:

1. Legal Foundation
2. Membership Structure
3. Membership Requirements
4. Duties and responsibilities
5. Authority
6. Audit Committee meeting
7. Tenure of Audit Committee Members
8. Reporting
9. Handling Complaints/Reporting Violations

Authority of Audit Committee

In carrying out their duties, the Audit Committee has the following authority:

1. Accessing the Bank's documents, data, and information regarding to the employees, fund, assets, and the required company resources.
2. Communicating directly to the employees, including the Board of Directors and parties performing the internal audit function, risk management, and accountant in regard to the Audit Committee duties.
3. Involving independent parties outside the Audit Committee members necessary to help conduct their duties (if required).
4. Performing any other authority given by the Board of Commissioners.

Term of Office of the Audit Committee

The term of office of the Audit Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-elected only for the next 1 (one) period.

Structure, Membership, and Expertise of The Audit Committee

The structure, membership and expertise of the Audit Committee can be seen in the table below.

Structure, Membership and Expertise of the Audit Committee Period October 5, 2021 – April 4, 2022

Name	Position	Determination Decree	Expertise	Information
Candra Fajri Ananda	Chairman	Decree of the Board of Directors Number 060/270/DIR/HCP/KEP concerning Changes in the Composition of the Committee of PT Bank Pembangunan Daerah Jawa Timur Tbk. Period 2021 - 2022	Economy	Independent Commissioner
Muhammad Mas'ud	Member		State Administration	Independent Commissioner
Akhmad Djauhari*	Member		Economy	Independent Commissioner
Ellen Theresia Sihotang	Member		Economy	Independent Party

* The term of office ends as of the 2021 Annual GMS on March 17, 2022

Structure, Membership and Expertise of the Audit Committee Period April 5, 2022 – October 2, 2022

Name	Position	Determination Decree	Expertise	Information
Sumaryono	Chairman	Surat Keputusan Direksi Nomor 061/036/DIR/HCP/KEP tentang Perubahan Susunan Komite PT Bank Pembangunan Daerah Jawa Timur Tbk periode 2022 - 2023	Commerce Administration	Independent Commissioner
Muhammad Mas'ud	Member		State Administration	Independent Commissioner
Candra Fajri Ananda	Member		Economy	Independent Commissioner
Ellen Theresia Sihotang*	Member		Economy	Independent Party

* The term of office ended on October 15, 2022

Structure, Membership and Expertise of the Audit Committee Period October 3, 2022 – December 31, 2022

Name	Position	Determination Decree	Expertise	Information
Sumaryono	Chairman	Decree of the Board of Directors Number 061/200/DIR/HCP/	Commerce Administration	Independent Commissioner
Muhammad Mas'ud	Member	KEP concerning Changes in the Composition of the Committee of	State Administration	Independent Commissioner
Candra Fajri Ananda	Member	PT Bank Pembangunan Daerah Jawa Timur Tbk	Economy	Independent Commissioner
Kusnadi	Member		Economy, Accounting	Independent Party

Profile of Audit Committee

The profile of the Audit Committee as of December 31st, 2022, is as follows.

<p>Sumaryono Chairman of the Audit Committee His profile can be seen in the Profile of the Board of Commissioners in this Annual Report</p>
<p>Candra Fajri Ananda Member of Audit Committee His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.</p>
<p>Muhammad Mas'ud Member of Audit Committee His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.</p>

**Kusnadi****Member of Audit Committee (Independent Party)**

Citizenship	: Indonesian citizens
Domicile	: Malang
Place and Date of Birth/Age	: Cianjur, 18 Juni 1966/56 years old
Educational background	<ul style="list-style-type: none"> • Bachelor of Accounting from Brawijaya University Malang, Graduated in 1990 • Master of Agribusiness UGM Yogyakarta, Graduated in 2004
Certification	<ul style="list-style-type: none"> • Workshop on YPIA Audit Tools and Techniques in 2019 • IHT Legal Aspects of Credit and Operations in 2020 • IHT Risk Based Audit 2020 • IHT Case Investigation Techniques in the Banking Industry in 2020 • IHT Special Request Root Cause Analysis 2020 • IHT Special Request Fraud Audit 2020 • Bank Internal Audit Competency Certificate with Special Occupational Qualifications for BRI Audit Supervisor Jobs (BRI Professional Certification Institute) 2021
Work experience	<ul style="list-style-type: none"> • Job Trainer Muara Bungo Branch Office (1990-1992) • Staff I Bitung Branch Office (1992-1994) • Staff II Tegal Branch Office (1994-1997) • MLO Branch of Cilegon (1997-1999) • MLO Jakarta Branch Office Roxi (1999-2002) • Head of Wiradesa Pekalongan Sub-Branch (2002-2004) • Head of BRI Luwuk Branch (2004-2006) • Head of BRI Parepare Branch (2007-2009) • Head of BRI Lubuk Pakam Branch (2009-2011) • BRI Nganjuk Branch Manager (2011-2012) • Head of BRI Jakarta City Branch (2012-2012) • Special Staff BRI (2012-2016) • Head of Logistics BRI Pekanbaru (2016-2019) • GH AIW BRI Bandung (Year 2019-June 2022)
Legal Basis of Appointment	: 061/200/DIR/HCP/KEP
Term of Office	: Period 2022-2026
Double function	: None

Qualification of Education and Experience of Audit Committee**Table of Audit Committee Education Qualification and Work Experience**

Name	Position	Period	Education	Work Experience
Sumaryono	Chairman	April - December 2022	Bachelor in Business Administration Science, Brawijaya University	Having work experience in banking.
Candra Fajri Ananda	Member	January - December 2022	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
Muhammad Mas'ud	Member	January - December 2022	Bachelor in State Administration Science Master of Management Doctor (Ph.D) in the field of School of Political and International Studies	Having work experience, among others in the fields of finance, political science and economics

Name	Position	Period	Education	Work Experience
Akhmad Djauhari*	Member	January - March 2022	Bachelor in Economics & Development Studies Master in Management	Having work experience in banking.
Ellen Theresia Sihotang**	Member	January - October 2022	Bachelor in Accounting Master in Management	Having work experience, among others, in banking, marketing, finance and behavioral research
Kusnadi	Member	October - December 2022	Bachelor in Accounting Master of Agribusiness	Having work experience in banking.

* The term of office ended as of the 2021 Annual General Meeting of Shareholders on March 17, 2022

** The term of office ended on October 15, 2022

Audit Committee Independence

Table of Audit Committee Independence

Independence Aspect	Sumaryono	Muhammad Mas'ud	Candra Fajri Ananda	Kusnadi	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	✓	✓	✓	✓	✓	✓

* The term of office ended as of the 2021 Annual General Meeting of Shareholders on March 17, 2022

** The term of office ended on October 15, 2022

Audit Committee meeting

AUDIT COMMITTEE MEETING POLICY

The implementation and procedures for the Audit Committee meetings are as follows:

1. Meetings are held at least 1 (one) time in 3 (three) months according to the needs of the Bank.
2. Meetings can be held if attended by at least 51% of the total committee members, including 1 (one) Independent Commissioner and Independent Party.
3. The meeting is chaired by the Chairman of the Audit Committee or a Member of the Audit Committee from an Independent Commissioner if the Chairman of the Audit Committee is unable to attend.
4. Decisions of the Committee meetings are based on consensus deliberation. If there is no consensus deliberation, then the decision is made based on the majority vote.
5. Committee meetings are recorded in the minutes of the meeting, including if there are dissenting opinions and the reasons for the meeting participants for these differences. The minutes of the meeting are signed by all members of the Audit Committee present and submitted to the Board of Commissioners.
6. Meetings can be held offline or online through digital media which allows the Audit Committee meeting participants to participate in the meeting.



AGENDA OF COMMITTEE AUDIT MEETING

Throughout 2022, 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 11, 2022	Evaluation of the Audit Plan for the 2022 period by the Internal Audit Division	Candra Fajri Ananda Muhammad Mas'ud Akhmad Djauhari Ellen Theresia Sihotang
2	April 7, 2022	<ul style="list-style-type: none"> Evaluation and Recommendations for Proposals for Procurement of Audit Services by KAP for Reviewing the Performance Evaluation of the Internal Audit Function for the 2022 Period; Audit Committee Work Program for the 2022 Period; Follow up on unresolved Special Findings (fraud). 	Sumaryono Muhammad Mas'ud Candra Fajri Ananda Heru Tjahjono Ellen Theresia Sihotang
3	April 25, 2022	Evaluation of the Implementation of Providing Audit Services on Annual Historical Financial Information by Public Accountants (AP) and/or Nexia Kanaka Puradiredja Suhartono Public Accountant Offices (KPS) for the Fiscal Year 2021	Sumaryono Ellen Theresia Sihotang
4	July 22, 2022	Directions for the Preparation of the Implementation of Audit Services on Annual Historical Financial Information by Public Accountants (AP) and/or Public Accounting Firms (KAP) for the 2022 Fiscal Year	Sumaryono Candra Fajri Ananda Ellen Theresia Sihotang
5	September 19, 2022	Evaluation of Offering Documents for the Provision of Audit Services on Annual Historical Financial Information by Public Accountants (AP) for two competition participants, namely Public Accounting Firms (KAP) Paul Hadiwinata, Hidajat, Arsono, Palilingan (PKF Hadiwinata) & Partners and KAP Kanaka Puradiredja Suhartono (KPS) Nexia & Partners for the 2022 Fiscal Year period	Sumaryono Muhammad Mas'ud Candra Fajri Ananda Ellen Theresia Sihotang
6	September 28, 2022	<ul style="list-style-type: none"> Anti Fraud Strategy (SAF) organizational structure; Revitalization of the SAF function based on the results of comparative studies (benchmarking); Updating SAF Standard Operating Procedures (SOPs); Internal Fraud Prevention Strategy & Program (repeated findings); Qualifications of officers in the branch office internal control unit. 	Sumaryono Candra Fajri Ananda Ellen Theresia Sihotang
7	December 28, 2022	Evaluation of the 2023 Audit Plan	Sumaryono Kusnadi

FREQUENCY AND ATTENDANCE OF AUDIT COMMITTEE MEETINGS

During 2022, the Audit Committee has held 7 (seven) 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
Sumaryono	Chairman	April – December 2022	6	6	100%
Candra Fajri Ananda	Member	January – December 2022	7	5	71%
Muhammad Mas'ud	Member	January – December 2022	7	3	43%
Akhmad Djauhari*	Member	January – March 2022	1	1	100%
Ellen Theresia Sihotang**	Member	January – October 2022	6	6	100%
Kusnadi	Member	October – December 2022	1	1	100%

* The term of office ended as of the 2021 Annual General Meeting of Shareholders on March 17, 2022

** The term of office ended on October 15, 2022

Audit Committee Remuneration

No	Description	Non-Commissioner Member
1.	Salary / Honorarium	Receive an honorarium of 12,5% of the President Director's Salary
2.	Post-Position Compensation	Not Given
3.	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4.	Bonus/Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5.	Facility:	
6.	Transportation Allowance	Not Given
7.	Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
8.	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 2022

Name	Position	Period	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Summaryono	Chairman	April – December 2022	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 – December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Muhammad Mas'ud	Member	January – December 2022	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 – March 2022	PSAK 71 Implementation Evaluation Training in Bank Risk Management	February 9-10, 2022 Hotel Le Meridien, Jakarta	Sinergi Indonesia Pintar
Ellen Theresia Sihotang**	Member	January – October 2022	Dissemination with Bank Indonesia regarding Obligation to Submit Management Reports and Board of Commissioners Monitoring Results	March 25, 2022 Ruang Kawi Lantai 2 (Zoom Meeting)	Bank Indonesia
Kusnadi	Member	October – December 2022	-	-	-

* The term of office ended as of the 2021 Annual General Meeting of Shareholders on March 17, 2022

** The term of office ended on October 15, 2022

Work Program and Implementation of Duties of The Audit Committee In 2022

AUDIT COMMITTEE WORK PROGRAM FOR 2022

The Audit Committee prepared a work program in 2022, including the following:

Quarter I

- Evaluation of Follow-Up of General Audit Findings from Internal and External Parties.
- Evaluation of Special Audit & Fraud Follow-up from the Internal Audit Division.
- Reviewing projected financial information and other reports related to financial information.
- Monitoring the implementation of the Anti-Fraud Strategy (SAF) and Gratification Control.
- Making an annual report on the implementation of the activities of the Audit Committee in the Annual Report.

Quarter II

- Evaluation of General Annual Historical Financial Audit Results from KAP (Public Accountant Office).
- Evaluation of Follow-Up of General Audit Findings from Internal and External Parties.
- Reviewing projected financial information and other reports related to financial information.
- Coordination with the Internal Audit Division after the progress reports are received by the Audit Committee.
- Evaluation of the implementation of compliance with internal and external regulations.

Quarter III

- Evaluation of Follow-Up of General Audit Findings from Internal and External Parties.
- Evaluation of Special Audit & Fraud Follow-up from the Internal Audit Division.
- Reviewing projected financial information and other reports related to financial information.
- Provide recommendations to the Board of Commissioners regarding the appointment of a Public Accountant (AP) based on independence, scope of assignment, and compensation for services.
- Monitoring the implementation of the Anti-Fraud Strategy (SAF) and Gratification Control.
- Evaluation of the implementation of compliance with internal and external regulations.

Quarter IV

- Evaluation of Follow-Up of General Audit Findings from Internal and External Parties.
- Evaluation of the Audit Plan from the Internal Audit Division for Approval of the Implementation of the Audit Plan.
- Reviewing projected financial information and other reports related to financial information.
- Reviewing and providing advice to the Board of Commissioners regarding potential conflicts of interest.
- Coordination with the Internal Audit Division after the progress reports are received by the Audit Committee.

BRIEF REPORT ON THE 2022 AUDIT COMMITTEE ACTIVITIES

The Audit Committee carried out its duties and responsibilities properly in accordance with the Audit Committee Charter and referred to POJK No. 55/POJK.04/2015, concerning the Establishment and Guidelines for the Implementation of Work of Audit Committees, as well as BPP Committees of the Board of Commissioners. The Audit Committee during the 2022 period held 7 (seven) meetings and carried out its duties including:

1. Implementation of follow-up reports on a number of fraudulent acts during 2022, and several matters that need to obtain approval from the Board of Commissioners, including reports on Realization of Business Plans (RBB), reports on the implementation of the audit function, review of the company's financial statements, and reports on internal audit results.
2. Provide recommendations and reports relating to the approval of:
 - a. Audit inspection plan (Audit Plan) of the Internal Audit Division
 - b. The appointment of a Public Accounting Firm (KAP) was based on independence, scope of assignment, and compensation for services.
 - c. Changes to the audit inspection plan.
 - d. Report on the Results of the Evaluation of the Implementation of Audit Services on the annual historical financial information of PT Bank Pembangunan Daerah Jawa Timur Tbk. Fiscal Year 2022.
3. Conduct coordination meetings with related divisions, including:
 - a. Internal Audit Division:
 - Evaluation of the 2022 Period Audit Plan
 - Evaluation of the Implementation of Providing Audit Services on Annual Historical Financial Information by

Nexia Kanaka Puradiredja Suhartono Public Accountant (AP) and/or Public Accounting Firm (KAP) for the Fiscal Year 2021

- Anti Fraud Strategy (SAF) organizational structure;
- Revitalization of the SAF function based on the results of comparative studies (benchmarking);
- Updating SAF Standard Operating Procedures (SOPs);
- Internal Fraud Prevention Strategy & Program (repeated findings);
- Qualifications of officers in the branch office internal control unit.
- Evaluation of the 2023 Period Audit Plan

b. Financial Control Division

Evaluation of the Implementation of Providing Audit Services on Annual Historical Financial Information by Nexia Kanaka Puradiredja Suhartono Public Accountant (AP) and/or Public Accounting Firm (KAP) for the Fiscal Year 2021

c. General Division

- Evaluation of the Implementation of Providing Audit Services on Annual Historical Financial Information by Nexia Kanaka Puradiredja Suhartono Public Accountant (AP) and/or Public Accounting Firm (KAP) for the Fiscal Year 2021
- Directions for the Preparation of the Implementation of Audit Services on Annual Historical Financial Information by Public Accountants (Ap) and/or Public Accounting Firms (Kap) for the 2022 Fiscal Year Period

d. Human Capital Division

- Standard Level Agreement (SLA) Punishment Process
- Matrix Punishment
- Determination of Punishment up to the Branch Organizational Level
- Tolerance of TAD Composition at Branch Offices
- Job Requirements for Quality Assurance unit (QA and/or second line of defense at Branch Offices).

4. Establish communication and coordination with related units at all organizational levels of PT Bank Pembangunan Daerah Jawa Timur Tbk. One form of communication carried out was to invite related work units related to discussions to discuss matters that were currently the latest issue at PT Bank Pembangunan Daerah Jawa Timur Tbk.

Statement of the Audit Committee on the Effectiveness of the Internal Control System and Risk Management

The internal control system implemented by Bank Jatim is considered to have been running effectively and adequately as reflected in the effectiveness of the implementation of internal control functions, including internal audit, risk management, compliance, financial and operational control functions.

Remuneration and Nomination Committee

Basic Formation of The Remuneration and Nomination Committee

Members of the Remuneration and Nomination Committee are based on the following regulations:

1. POJK No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks.

2. POJK 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 January 15, 2021, which regulates about:

1. Roles and Functions
2. Responsibilities
3. Authority
4. Membership Structure, Position and Period of Position
5. Work procedures
6. Holding meetings
7. Reporting

Duties and Responsibilities of The Remuneration and Nomination Committee

1. Related to Nomination function
 - a. Provide recommendations to the Board of Commissioners regarding the structure, policies and amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners..
 - b. Assist the Board of Commissioners in evaluating performance in accordance with the remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.
 - c. In carrying out the remuneration function as referred to in point "a" above, the Remuneration and Nomination Committee must perform the procedure:
 - Develop a Remuneration structure for members of the Board of Directors and/or members of the Board of Commissioners in the form of salaries, honorarium, incentives, permanent and/or variable visits.
 - Formulate policies on Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
 - Arrange the amount of Remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
 - d. The preparation of the structure, policy and amount of Remuneration must pay attention to:
 - Remuneration applicable to the industry in accordance with business activities and similar business scales in its industry (peer groups).
 - The duties, responsibilities and authority of members of the Board of Directors and/or members of the Board of Commissioners are related to the achievement of the objectives and performance of the bank.
 - Performance targets or the performance of each member of the Board of Directors and/or members of the Board of Commissioners.
 - A balance of benefits between those that are permanent and variable.
 - e. Assist the Board of Commissioners in providing recommendations on payroll/wage systems, provision of benefits and facilities for 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 service of the Remuneration and Nomination Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association and may be re-elected only for the next 1 (one) period.

Structure, Membership and Expertise of The Remuneration and Nomination Committee

Structure, Membership and Expertise of the Remuneration and Nomination Committee Period January - April 2022

Name	Position	Determination Decree	Information	Expertise
Muhammad Mas'ud	Chairman	Decree of the Board of Directors	Independent Commissioner	Economic
Candra Fajri Ananda	Member	Number 060/270/DIR/HCP/	Independent Commissioner	Economic
Heru Tjahjono	Member	KEP concerning Changes in the	Commissioner	Economic
Revi Adiana S	Member	Composition of the Committees	Ex-Officio Member (HC	Economic
		of PT Bank Pembangunan Daerah	Division Leader)	
		Jawa Timur Tbk. 2021-2022 period		

Structure, Membership and Expertise of the Remuneration and Nomination Committee Period April 2022 – December 31, 2022

Name	Position	Determination Decree	Information	Expertise
Muhammad Mas'ud	Chairman	Decree of the Board of Directors	Independent Commissioner	Economic
Suprajarto	Member	Number 061/036/DIR/HCP/	Independent Commissioner	Economic
Candra Fajri Ananda	Member	KEP concerning Changes in the	Commissioner	Economic
Sumaryono	Member	Composition of the Committees	Independent Commissioner	Economic
Haru Tjahjono	Member	of PT Bank Pembangunan Daerah	Commissioner	Economic
		Jawa Timur Tbk. 2022-2023	Ex-Officio Member (HC	Economic
		period	Division Leader)	
Revi Adiana S	Member			

Profile of The Remuneration and Nomination Committee

The profile of the Remuneration and Nomination Committee as of December 31, 2022 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.

Sumaryono

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.

Human Capital Division Leader

Citizenship	: Indonesian citizens
Domisili	: Surabaya
Place and Date of Birth/Age	: Born in Solo in 1966. 56 years old as of 2022.
Educational background	: <ul style="list-style-type: none"> - 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	: <ul style="list-style-type: none"> - Risk Management Certification Level 5 - Pension Fund General Management Certification - Level 3 (Advance) Treasury Dealer Certification
Work experience	: <p>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).</p>
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 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
Muhammad Mas'ud	Chairman	January – December 2022	Bachelor in Public Administration Master in Management Doctor (Ph.D) in School of Political and International Studies	Having work experience, among others in the fields of finance, political science and economics
Suprajarto	Member	April 2022 – December 2022	Bachelor in Economics Postgraduate in Marketing Management Doctor in the field of Business Management	Having work experience, among others, in finance, banking
Candra Fajri Ananda	Member	January – December 2022	Bachelor in Economics and Development Studies Master Degree (MSc.) in Rural Development Doctor Degree (DR) in the field of Rural Development	Having work experience, among others, in the fields of finance, research, international relations, economics and banking supervision



Name	Position	Period	Education	Work Experience
Sumaryono	Member	April 2022 – December 2022	Bachelor in Business Administration Science	Having work experience, among others, in finance, banking
Heru Tjahjono	Member	January – December 2022	Bachelor in Civil Engineering Master in Management Environmental and Development Studies	Having work experience in the government sector
Revi Adiana Silawati	Ex-officio member	January – December 2022	Bachelor in Management Science Master in Technology Management Financial Budgeting Short Course Program	Having work experience, among others in banking and Human Resources

Independence of The Nomination and Remuneration Committee

The Remuneration and Nomination Committee carries out its duties, responsibilities and authority professionally and independently, without interference from any party that is not in accordance with the laws and regulations. Members of the Remuneration and Nomination Committee have fulfilled all the independence criteria and are able to carry out their duties independently, uphold the interests of the Bank and cannot be influenced by any party. This can be seen from the majority of Commissioners who are members of the Remuneration and Nomination Committee who are Independent Commissioners.

Table of Independence of the Remuneration and Nomination Committee

Independence Aspects	M. Mas'ud	Candra Fajri	Suprajarto	Sumaryono	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	✓	✓	✓	✓	✓	✓

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 13, 2022	• Discussion of Additional 2021 End of Year Performance Bonus Income	Muhammad Mas'ud Candra Fajri Ananda
2.	April 22, 2022	• Discussion on Provision of 2022 Holiday Allowances by PT Bank Pembangunan Daerah Jawa Timur Tbk for Management, Sharia Supervisory Board and Committees	Muhammad Mas'ud Candra Fajri Ananda Heru Tjahjono
3.	May 27, 2022	• Discussion regarding the Nomenclature of the Board of Directors' Positions • Discussion regarding the selection process (Announcements, Requirements, etc.) • Discussion regarding the Professional Institution that will carry out the Fit and Proper Test	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Heru Tjahjono Sumaryono

No.	Date of Meeting	Meeting Agenda	Meeting Participants
4.	May 30, 2022	<ul style="list-style-type: none"> Discussion of Draft Requirements for Candidates for Directors Discussion on Determination of Board of Directors Selection Announcement 	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Heru Tjahjono Sumaryono
5.	June 3, 2022	<ul style="list-style-type: none"> Fulfillment of the completeness of supporting organs for the Board of Commissioners, especially the Audit Committee as referred to in POJK No. 55/POJK.03/2016 concerning Implementation of Governance for Commercial Banks Follow-up attention (concern) of the Financial Services Authority Regional Office 04 East Java regarding the membership of the Audit Committee from an Independent Non-Commissioner Party with a legal background 	Muhammad Mas'ud Candra Fajri Ananda Sulam Andjar R Moch. Arifin
6.	June 20, 2022	<ul style="list-style-type: none"> Development of the Selection Process for Candidates for the Board of Directors of Bank Jatim Administrative Selection of Candidates for the Board of Directors of Bank Jatim 	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Heru Tjahjono Sumaryono
7.	June 27, 2022	<ul style="list-style-type: none"> Discussion Regarding the Honorarium of the Selection Committee Discussion Regarding the Implementation Manual (BPP) within the scope of the Board of Commissioners: BPP Management Remuneration (Board of Commissioners and Directors) BPP Official Travel of Management (Board of Commissioners and Directors) 	Suprajarto Candra Fajri Ananda Heru Tjahjono Muhammad Mas'ud Sumaryono Revi Adiana S
8.	July 27, 2022	<ul style="list-style-type: none"> Discussion on Provision of Educational Allowances for Management of PT Bank Pembangunan Daerah Jawa Timur Tbk 	Muhammad Mas'ud Suprajarto Candra Fajri Ananda Heru Tjahjono Sumaryono Revi Adiana S
9.	August 18, 2022	<ul style="list-style-type: none"> Discussion regarding the Implementation Guidebook (BPP) for Management Remuneration Discussion regarding the Implementation Guidebook (BPP) for Official Travel for Management 	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Heru Tjahjono Sumaryono Revi Adiana S
10.	December 30, 2022	<ul style="list-style-type: none"> Discussion of Remuneration Evaluation for Bank Jatim Management Discussion of Management Key Performance Indicators 	Suprajarto Muhammad Mas'ud Candra Fajri Ananda Sumaryono Revi Adiana S

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
Muhammad Mas'ud	Chairman	January – December 2022	10	10	100%
Suprajarto	Member	April 2022 – December 2022	9	7	77%
Candra Fajri Ananda	Member	January – December 2022	10	10	100%
Heru Tjahjono	Member	January – December 2022	10	7	70%
Sumaryono	Member	April – December 2022	9	7	77%
Revi Adiana Silawati	Ex-officio member	January – December 2022	10	4	40%

Remuneration and Nomination Committee Competency Improvement Program

Name	Position	Period	Types of Training and Development Materials Competence/Training	Time and place Implementation	Organizer
Muhammad Mas'ud	Chairman	January – December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Suprajarto	Member	April 2022 – December 2022	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 – December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Heru Tjahjono	Member	January – December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Sumaryono	Member	April – December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Revi Adiana Silawati	Ex-officio member	January – December 2022	Online Workshop Training Corporate Culture for Change Leader	February 15, 2022 / Online	IBI (Ikatan Bankir Indonesia)
			Top Leader Communication Forum with Themes Agile - Resilience Motivation and Team Building Program	March 18, 2022 / Propolinggo (Bromo)	Go Orbit
			Becoming extraordinary leader	March 21, 2022 / Head Office (Bromo Room)	Remaja Tampubolon
			Risk Management Certification Refreshment Program	March 25, 2022/ SURABAYA	Strategic Development Group (Sdg)
			Treasury Dealer Certification Refreshment Program	July 16, 2022/ Jakarta	Aci fma financial markets association
			Training Program Certified Human Resource Manager (CHRM)	July 19-22, 2022/ Jakarta	PPM Management
			Human Resource Manager Certification	July 29, 2022/ Jakarta	Lembaga Sertifikasi Profesi Perbankan (LSPP)
			Metaverse, Cryptocurrency - Future Opportunities and Challenges	August 3, 2022 / Head Office (Bromo Room)	Mr. Ery Punta Hendraswara - SEVP PT Telkom

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:	
	a. Transportation Allowance	Not Given
	b. Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
	c. Official travel	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank

Work Program and Implementation of Duties of The Remuneration and Nomination Committee In 2022

REMUNERATION AND NOMINATION COMMITTEE WORK PROGRAM

1. Evaluate and provide recommendations regarding System policies and Procedures for Selection and/or Replacement of Members of the Board of Commissioners and Members of the Board of Directors to be submitted to the GMS.
2. Evaluate and provide recommendations regarding the criteria and qualifications required in the nomination process for the Board of Commissioners and Directors in accordance with the Bank's strategic plan.
3. Evaluate and recommend candidates who meet the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS.
4. Assist in the evaluation of the performance of the Company's Management
5. Develop the structure and policies for the Remuneration of the Company's Management (Board of Commissioners and Directors).
6. Arrange the amount of remuneration for members of the Board of Directors and/or the Board of Commissioners
7. Carry out Remuneration and Nomination Committee Meetings and Coordination Meetings with other related parties

DUTIES OF THE REMUNERATION AND NOMINATION COMMITTEE

1. The Remuneration & Nomination Committee carried out the process of nominating several vacant management positions, including those for prospective members of the Board of Directors.
2. The Remuneration and Nomination Committee carried out the selection process for accepting candidates for Commissioners and Directors of Bank Jatim together with the Selection Committee formed through administrative selection to assessment with a third party (independent).
3. The Remuneration and Nomination Committee also provided recommendations/considerations to the Board of Commissioners in determining the third party to be appointed as the agency implementing the assessment in the process of selecting candidates for members of the Commissioners and Directors of Bank Jatim.
4. The Remuneration and Nomination Committee provided an assessment/evaluation of each candidate for the Board of Directors which was agreed upon to be recommended to the Board of Commissioners for the fit and proper test by the Financial Services Authority.
5. In addition, in terms of remuneration activities, the Remuneration and Nomination Committee also reviewed the Guidelines for Implementing Governance in Remuneration for management and their facilities, which could then be stipulated in a Board of Commissioners decision letter.
6. The Remuneration and Nomination Committee also held several coordination meetings regarding the implementation of additional income during 2022.

Board of Directors' Success Policy

The Board of Directors succession policy had been presented in the Nomination and Remuneration Sub Title for the Board of Commissioners and Directors Chapter of Corporate Governance in this Annual Report.

Risk Monitoring Committee

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

Basic For The Establishment of The Risk Monitoring Committee

The establishment of the Risk Monitoring Committee is based on the following regulations:

1. 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 November 18, 2014 concerning the Implementation of Integrated Risk Management for Financial Conglomerates.
3. Articles of Association regarding the duties and authorities of the Board of Commissioners and their amendments

Charter of Risk Monitoring Committee

In carrying out its duties and responsibilities, the Risk Monitoring Committee had a Risk Monitoring Committee Charter as contained in the Decree of the Board of Commissioners Number 061/05/DKM/KEP dated June 28, 2022, which regulated:

1. Legal Basis
2. General Purpose
3. Membership Structure
4. Membership Requirements
5. Duties and Responsibilities
6. Authority
7. Risk Monitoring Committee Meetings
8. Term of Office of Risk Monitoring Committee Members
9. Reporting

Duties and Responsibilities of The Risk Monitoring Committee

The Risk Monitoring Committee performed the task of monitoring and evaluating the conformity between risk management policies and the implementation of Bank policies, as well as implementing the work plans and duties of the Risk Management Committee and the Risk Management Work Unit (SKMR), to provide recommendations to the Board of Commissioners to ensure that the Bank had managed risks in an effective adequate manner.

In carrying out its functions, the Risk Monitoring Committee has duties and responsibilities including:

1. Monitor and review the adequacy of the Bank's internal control as a whole including compliance with good corporate governance policies.
2. Monitor and prepare reports on the implementation of good corporate governance with the contents and scope of at least according to the applicable regulations.
3. Monitor and evaluate the Bank's compliance with the Articles of Association and laws and regulations related to risk management.
4. Monitor and evaluate reports on the implementation of good corporate governance that reflect the actual condition of the Bank or according to the results of the Bank's self-assessment.
5. Monitor and evaluate the composite value and predicate of self-assessment results to the public through Published Financial Reports in the nearest period.
6. Deliver a complete revision of the results of the Bank's Good Corporate Governance self-assessment to the regulator.
7. Review financial and non-financial information regarding the Bank, business plans or work plans and bank budgets, management reports and other information related to risk management.
8. Conduct regular meetings with related work units to discuss matters within the scope of the Committee's assignments, and report and provide input on matters that need to be brought to the attention of the Board of Commissioners.

9. Prepare guidelines and work procedures for the Committee (charter) and conduct reviews as needed at least once every 3 (three) years, and make a self-assessment regarding the effectiveness of the Risk Monitoring Committee's activities.

Authority of Risk Monitoring Committee

Komite Pemantau Risiko diberi kewenangan oleh Dewan Komisaris untuk:

1. Conduct a full, free and unlimited access to Bank records related to the implementation of the duties of the Risk Monitoring Committee.
2. Communicating with the Head of Work Unit and other parties at the Bank to obtain information, clarification and request documents and reports needed.
3. Obtain input or suggestions from external banking professionals related to the duties of the Risk Monitoring Committee.
4. Collaborate with the Risk Management Committee, SKMR, Compliance Work Unit (SKK), Legal Work Unit (SKL), Information Technology Work Unit (SKTI) and other work units related to the Committee's duties.

Term of Office of the Risk Monitoring Committee

The term of office of the Risk Monitoring Committee may not be longer than the term of office of the Board of Commissioners as stipulated in the articles of association and may be re-elected only for the next 1 (one) period.

Structure, Membership, and Expertise of Risk Monitoring Committee

Table of Structure, Membership and Expertise of the Risk Monitoring Committee Period October 5, 2021 – April 4, 2022

Name	Position	Determination Decree	Information	Expertise
Candra Fajri Ananda	Chairman	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
*Syafurudin	Member		Independent Party	Economic, Accounting
Sulam Andjar Rochim	Member		Independent Party	Economic

*The term of office ends as of the 2021 Annual General Meeting of Shareholders on March 17, 2022

Table of Structure, Membership and Expertise of the Risk Monitoring Committee Period April 5, 2022 – October 2, 2022

Name	Position	Determination Decree	Information	Expertise
Candra Fajri Ananda	Independent Commissioner	Decree of the Board of Directors Number 061/036/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk Period 2022-2023	Economic	Economic
Muhammad Mas'ud	Independent Commissioner		State Administration	State Administration
Sumaryono	Independent Commissioner		Commerce Administration	Commerce Administration
Sulam Andjar Rochim	Independent Party		Economic	Economic

Table of Structure, Membership and Expertise of the Risk Monitoring Committee Period October 3, 2022 – December 31, 2022

Name	Position		Information	Expertise
Candra Fajri Ananda	Chairman	Determination Decree Decree of the Board of Directors Number 061/200/DIR/HCP/KEP concerning Changes in the Composition of the Committees of PT Bank Pembangunan Daerah Jawa Timur Tbk	Independent Commissioner	Economic
Muhammad Mas'ud	Member		Independent Commissioner	State Administration
Sumaryono	Member		Independent Commissioner	Commerce Administration
Sulam Andjar Rochim	Member		Independent Party	Economic
Moch. Arifin	Member		Independent Party	Law

Profile of The Risk Monitoring Committee

The profile of the Risk Monitoring Committee as of December 31, 2022 is as follows.

<p>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.</p>
<p>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..</p>
<p>Sumaryono Member of Risk Monitoring Committee His profile can be seen in the Profile of the Board of Commissioners in this Annual Report.</p>

**Sulam Andjar Rochim**

Member of Risk Monitoring Committee

Citizenship	: Indonesian citizens
Domicile	: Malang
Place and Date of Birth/Age	: Pasuruan, October 3, 1962. 60 years old as of December 31, 2022
Educational background	<ul style="list-style-type: none"> • Brawijaya University Malang Diploma Program Program Enterprise Expert Education (currently Vocational Program Faculty of Economics and Business) (1985) • Gajayana University Malang (1990) • Management and Technology Development Center Applied (PPMTT) Malang – Master Business Program in Administration (1992)
Certification	<ul 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) • Level 1 Risk Management Certification - Risk Management Certification Body (BSMR)
Work Experience	<ul style="list-style-type: none"> • Branch Manager of PT Bank Pembangunan Daerah Jawa Timur Tbk. Bangkalan (July 2010 - July 2011) • Branch Manager of PT Bank Pembangunan Daerah Jawa Timur Tbk. Jakarta (July 2011 - July 2012) • Head of Asset Liability Management and Financial Institution Sub Division in Treasury Division of PT Bank Pembangunan Daerah Jawa Timur Tbk. (July 2012 - March 2015) • Sub Division Leader in Strategic Planning Division of PT Bank Pembangunan Daerah Jawa Timur Tbk. (March 2015 - May 2016) • Acting Head of Strategic Planning Division of PT Bank Pembangunan Daerah Jawa Timur Tbk. (May 2016 - March 2017) • Head of Internal Communication Sub Division at Corporate Secretary of PT Bank Pembangunan Daerah Jawa Timur Tbk. (March 2017 - January 2019) • Head of the Anti-Money Laundering and Prevention of Terrorism Financing (APU-PPT) Sub-Division in the Compliance and Governance Division of PT Bank Pembangunan Daerah Jawa Timur Tbk. (January 2019 - October 2020)
Basic Appointment	: Decree of the Board of Directors Number 060/270/DIR/HCP/KEP
Term of Office	: 2021 – 2025
Concurrent Positions	: President Commissioner of BPRS Mojo Artho Mojokerto City (Perseroda)



Moch. Arifin

Member of Risk Monitoring Committee

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Surabaya, 02 Februari 1971/51 tahun per 31 December 2022
Riwayat Pendidikan	: Universitas Bhayangkara Surabaya
Certification	: -
Work Experience	<ul style="list-style-type: none"> • Advocate (1996 – Present) • Legal Consultant PT Berlian Mandiri Perkasa, Surabaya (2001 – Present) • Legal Consultant PT Java Green Transport, Sidoarjo (2009 – Present) • Legal Consultant PT Multi Color Indonesia, Sidoarjo (2009 – Present) • Legal Consultant at PT Angkasa Raya, Surabaya (2009- Present) • Bank Legal Consultant Yudha Bhakti (2005 – 2015) • Chairman of the Supervisory Board of the People's Credit Bank in Kediri City, (2012 – 2018) • Legal Consultant at PT Perkebunan Nusantara IX, Surakarta (2014 – 2020) • Expert Staff for the Legal Secretariat Bureau of East Java Provincial Government (2013 – Present)
Basic Appointment	: Decree of the Board of Directors Number 061/200/DIR/HCP/KEP
Term of Office	: 2022 – 2026
Concurrent Positions	: Advocate

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
Candra Fajri Ananda	Chairman	January – December 2022	<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
Muhammad Mas'ud	Member	January – December 2022	<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
Sumaryono	Member	April – December 2022	Bachelor in Business Administration Science, Brawijaya University	Having work experience in banking
Syafuruddin*	Independent Party Member	January – March 2022	Bachelor in Accounting Economics Master of Economic Management	Having work experience in banking
Sulam Andjar Rochim	Independent Party Member	January – December 2022	Bachelor in Accounting Economics Master of Business in Administration	Having work experience in banking
Moch. Arifin	Independent Party Member	October – December 2022	Bachelor in Law	Having work experience, among others, in the fields of law and banking

* The term of office ends as of the 2021 Annual GMS on March 17, 2022

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	Candra Fajri Ananda	Syafruddin	Sulam Andjar Rochim	Moch. Arifin
Has no financial relationship with the Board of Commissioners and the Board of Directors	✓	✓	✓	✓	✓
Does not have a management relationship in the company, subsidiary, or affiliated company	✓	✓	✓	✓	✓
Does not have a share ownership relationship in the company	✓	✓	✓	✓	✓
Does not have a family relationship with the Board of Commissioners, Board of Directors, and/or fellow members of the Risk Monitoring Committee	✓	✓	✓	✓	✓
Do not serve as administrators of political parties, officials and government	✓	✓	✓	✓	✓

Risk Monitoring Committee Meeting

RISK MONITORING COMMITTEE MEETING POLICY

Implementation and procedures for the Risk Monitoring Committee meeting were as follows:

- Committee meetings were held as follows:
 - according to the needs of the Bank and or at least 1 (one) time in 3 (three) months;
 - can only be carried out if attended by at least 51% (fifty one percent) of the total members of the Committee including 1 (one) Independent Commissioner and 1 (one) Independent Party non-Commissioner;
 - chaired by the Committee Chair or a Committee member from an Independent Commissioner if the Committee Chair is unable to attend; And
 - can invite SKMR, SKK, SKL, SKTI as well as other work units and other parties needed as resource persons for discussion.
- Committee meeting decisions are made based on:
 - consensus deliberation, and in the event that consensus deliberation does not occur, the decision is made based on the majority of votes;
 - in the event that a decision is made by voting with an equal number of votes, then the decision is made based on the majority vote; And
 - dissenting opinion that occurs at the Committee Meeting must be clearly stated in the minutes of the meeting along with the reasons for the dissent.
- Committee meetings were set forth in the Minutes of Meeting, which are signed by all Committee members present and submitted to the Board of Commissioners.
- The attendance of Committee members at meetings was reported in the Committee's quarterly report and annual report in the Annual Report on Corporate Governance.

MEETING AGENDA OF RISK MONITORING COMMITTEE

Throughout 2022, 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	January 11, 2022	Performance Evaluation and Risk Profile of the Sharia Unit Division up to December 2021	Candra Fajri Ananda Muhammad Mas'ud Syafuruddin Sulam Andjar R Achmad Djauhari Ellen Theresia
2	April 7, 2022	<ul style="list-style-type: none"> Risk Management Plan for 2022 Compliance Work Plan for 2022 Debtor Portfolio Large Exposures 	Candra Fajri ananda Muhammaad Mas'ud Sumaryono Heru Tjahjono Sulam Andjar Rochim Ellen Theresia
3	September 28, 2022	<ol style="list-style-type: none"> Human Capital Division: <ul style="list-style-type: none"> Standard Level Agreement (SLA) Punishment Process Matrix Punishment Determination of Punishment up to Branch Organizational Level Tolerance of TAD Composition at Branch Offices Job Requirements for Quality Assurance unit (QA and/or second line of defense at Branch Offices). Compliance and Governance Division: <ul style="list-style-type: none"> Branch Compliance Risk Profile Follow up on Audit Findings Compliance Culture Development Work Program Access the compliance portal Re-arrangement of BPP Credit & Financing Sector Corporate Risk Management Division <ul style="list-style-type: none"> Revitalization of Standard Operating Procedures (SOP) and Technical Instructions (Juknis) for Loss Event Database (LED) Applications Branch Risk Profile Risk Culture Development 	Candra Fajri ananda Sumaryono Sulam Andjar Rochim Ellen Theresia
4	November 8, 2022	Implementation of the Action Plan for Fulfillment of Asean Capital Market Standard Public Company Governance Practices	Candra Fajri ananda Sumaryono Sulam Andjar Rochim Moch. Arifin Kusnadi
5	November 22, 2022	<ul style="list-style-type: none"> Mapping Legal and Reputation Risks for fraud cases that have been handled by the Penalty Committee. Mitigation and legal action solutions for fraud cases in Bank Jatim. 	Candra Fajri ananda Sulam Andjar Rochim Moch. Arifin Kusnadi
6	November 30, 2022	<ul style="list-style-type: none"> Governance and Compliance Plan Credit Plan 2023 (KKS) Credit Plan 2023 (Konsumer) Credit Plan 2023 (KMRP) Optimizing Internal Business Processes as Bank Business Support Facilities Risk Management Plan 2023 Credit Recovery Plan 2023 Business Risk 2023 	Suprajarto Sumaryono Sulam Andjar Rochim Moch. Arifin Kusnadi

FREQUENCY AND ATTENDANCE OF RISK MONITORING COMMITTEE MEETINGS

During 2022, the Risk Monitoring Committee has held 5 (five) 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	Period	Risk Monitoring Committee Meeting Attendance Number and Percentage		
			Number of Meetings	Number of Attendance	Percentage
Candra Fajri Ananda	Chairman	January – December 2022	6	5	83%
Muhammad Mas'ud	Member	January - December 2022	6	2	33%
Sumaryono	Member	April – December 2022	5	4	80%
Syafruddin*	Member	January – March 2022	1	1	100%
Sulam Andjar Rochim	Member	January – December 2022	6	6	100%
Moch. Arifin	Member	October – December 2022	3	3	100%

* The term of office ends as of the 2021 Annual GMS on March 17, 2022

Risk Monitoring Committee Competence Improvement Program

Name	Position	Period	Types of Training and Development Materials Competence/ Training	Time and place Implementation	Organizer
Candra Fajri Ananda	Chairman	January – December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Muhammad Mas'ud	Member	January - December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Sumaryono	Member	April – December 2022	Education and/or Competency Improvement can be seen in the Education and/or Competency Improvement section for the Board of Commissioners		
Syafruddin*	Member	January – March 2022	PSAK 71 Implementation Evaluation Training in Bank Risk Management		
Sulam Andjar Rochim	Member	January – December 2022	Dissemination with Bank Indonesia regarding Obligation to Submit Management Reports and Board of Commissioners Monitoring Results		
Moch. Arifin	Member	October – December 2022			

* The term of office ends as of the 2021 Annual GMS on March 17, 2022

Risk Monitoring Committee Income

No	Description	Non-Commissioner Member
1	Salary / Honorarium	Receive an honorarium of 12,5% of the President Director's Salar
2	Post-Position Compensation	Not Given
3	Holiday allowance	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
4	Bonus / Tantiem	In accordance with the provisions that apply to Permanent Employees of the Bank
5	Facility:	
a.	Transportation Allowance	Not Given
b.	Health	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank
c.	Official travel	In accordance with the applicable provisions for the Board of Commissioners or Permanent Employees of the Bank

Work Program and Implementation of Duties of The Risk Monitoring Committee In 2022

RISK MONITORING COMMITTEE WORK PROGRAM FOR 2022

The Risk Monitoring Committee developed a work program in 2022, including the following:

Quarter I

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievement.
- Monitoring and Evaluation of the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko).
- Evaluation of conformity between the Risk Management Policy (KMR) and the implementation of Bank policies.
- Monitoring and Evaluation of the implementation of the principles of Good Corporate Governance (GCG).

Quarter II

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievements.
- Monitoring and Evaluation of the adequacy of risk management identification, measurement, monitoring and control processes.
- Opinions on credit or financing applications for the large exposure category, and approval of credit or financing applications from Related Parties.
- Monitoring of large exposure debtors above IDR100 billion.

Quarter III

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievements.
- Monitoring and Evaluation of the implementation of the duties of the Risk Management Work Unit (SKMR) and the Risk Management Committee (Komenko).
- Monitoring and Evaluation of the implementation of the principles of Good Corporate Governance (GCG).
- Monitoring of large exposure debtors above IDR100 billion
- Monitoring and Evaluation of contingency plans in the Business Continuity Management System (BCMS).
- Review and Update of the Company's Handbook (BPP) including Anti-Money Laundering and Prevention of Terrorism Financing Product Policy (KPA APU-PPT).

Quarter IV

- Monitoring and Evaluation of the Bank's Risk Profile (PRB) Quarterly.
- Monitoring and Evaluation of Quarterly Bank Soundness Level (TKB) achievements.
- Review Corplan, RSTI and RBB before being approved by the Board of Commissioners.

- Review and Update of the Company's Manual (BPP) covering the Bank's Principal Policies Strategic Governance Policy (KPB KST).
- Review and Update of the Company Manual (BPP) including Product and Activity Policy Financing (KPS) Credit or Financing (PAP).

RISK MONITORING COMMITTEE WORK PROGRAM BRIEF REPORT IN 2022

The Risk Monitoring Committee carried out its duties and responsibilities properly, referring to POJK No. 55/POJK.03/2016, concerning Implementation of Governance for Commercial Banks and referring to the BPP Committee of the Board of Commissioners and the Risk Monitoring Committee Charter of Bank Jatim. The Risk Monitoring Committee during the 2022 period held 6 (six) meetings and carried out its duties including:

1. Conduct discussions in meetings and submit notes on providing opinions and suggestions to management conducted once related to:
 - a. Monitoring and Evaluation of the Bank's Risk Profile.
 - b. Evaluation of Quarterly Achievement of Bank Soundness Level (TKB).
2. Visit to Branch Offices in the framework of the Board of Commissioners' active supervision of:
 - a. Implementation of risk management in work units and branch offices.
 - b. Monitoring and Evaluation of the adequacy of the process of identifying, measuring, monitoring, controlling Risk Management both at the head office and branch offices.
3. Coordination Meetings with Related Divisions, including:
 - a. Sharia Business Unit:
 - 1) Performance Evaluation and Risk Profile of Sharia Business Units
 - b. Corporate Commercial Credit and Syndicated Division
 - 1) Large Exposures Debtor Portfolio
 - c. Human Capital Division
 - 1) Standard Level Agreement (SLA) Punishment Process
 - 2) Matrix Punishment
 - 3) Determination of Punishment up to the Branch Organizational Level
 - 4) Tolerance of TAD Composition at Branch Offices
 - 5) Job Requirements for Quality Assurance unit (QA and/or second line of defense at Branch Offices).
 - d. Compliance and Governance Division
 - 1) Compliance Performance Plan for 2022
 - 2) Branch Compliance Risk Profile
 - 3) Follow up on Audit Findings
 - 4) Compliance Culture Development Work Program
 - 5) Access the compliance portal
 - 6) Re-arrangement of BPP Credit & Financing Sector
 - e. Corporate Risk Management Division
 - 1) Risk Management Plan for 2022
 - 2) Revitalization of Standard Operating Procedures (SOP) & Technical Instructions (Juknis) Loss Event Database (LED) Application

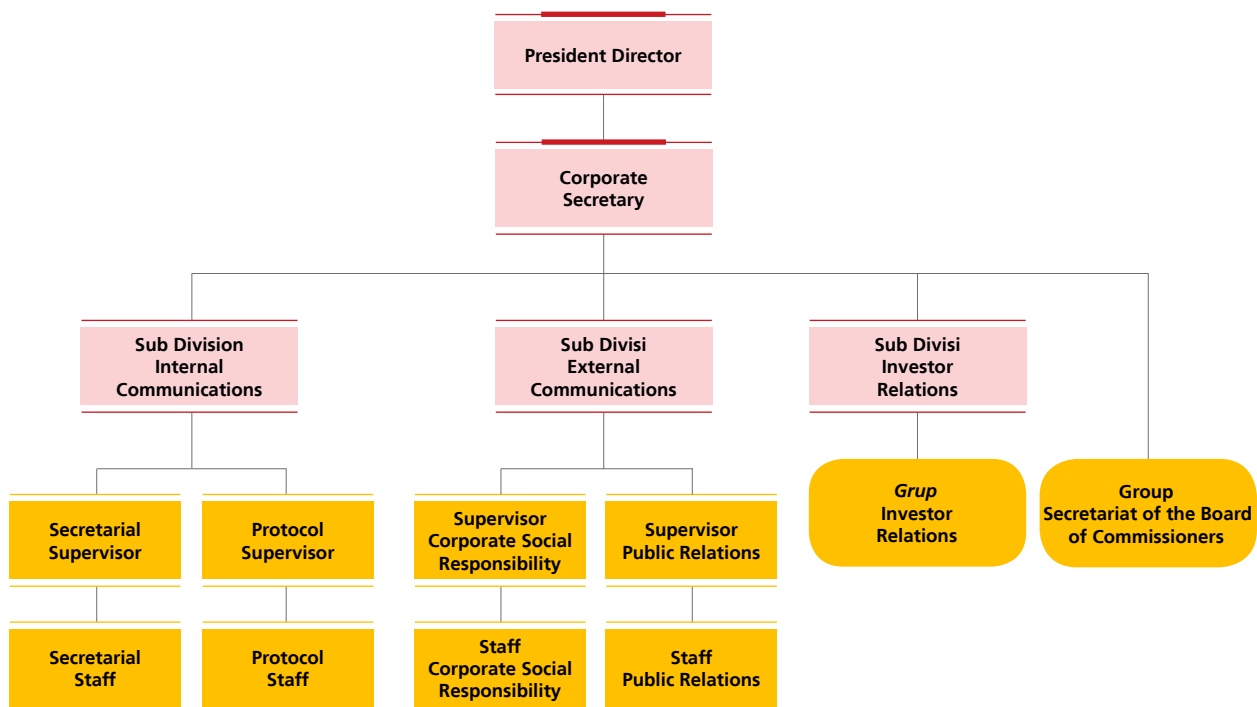


- 3) Branch Risk Profile
- 4) Risk Culture Development
- f. Service Penalty Committee (KBHJ)
 - 1) Mapping Legal and Reputation Risks for fraud cases that have been handled by the Penalty Committee.
 - 2) Mitigation and legal action solutions for fraud cases in Bank Jatim.
4. Evaluating the implementation of the SKMR, SKK, SKL and SKAI functions as the second and third lines of defense in implementing the three line of defense concept.
5. Provide opinion on credit or financing applications for the large exposures category
6. Give approval for credit or financing applications to related parties
7. Coordination with the Audit Committee in the context of:
 - a. Monitoring and evaluation of Bank Soundness Level (TKB)
 - b. Standard Level Agreement (SLA) Punishment Process
 - c. Matrix Punishment
 - d. Determination of Punishment up to Branch Organizational Level
 - e. Revitalization of the Anti-Fraud Strategy (SAF) function based on the results of comparative studies (benchmarking)
 - f. SAF Standard Operating Procedures (SOP) update
 - g. Internal Fraud Prevention Strategy and Program (repeated findings)
 - h. Qualifications of officers in the branch office internal control unit.
8. Evaluating the implementation of the anti-fraud strategy 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.

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



Budi Sumarsono

Head of Corporate Secretary

Citizenship	: Indonesian Citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Madiun in 1966. 56 years old as of December 2022.
Educational Background	: <ul style="list-style-type: none"> - Bachelor of Finance from Muhammadiyah University (1992). - Master of Law from Merdeka University (1999) - Master of Management from Widya Jayakarta University (2000)
Certification	: Risk Management Certification Body (BSMR) Level 4
Job History	: He joined Bank Jatim in 1991. Prior to occupying his current position, he served as Probolinggo Branch Leader (2014), Gresik Branch Leader (2015), Main Operations Branch Leader (2017), Acting Head of Compliance and Governance Division (2018), Head of International Banking Division (2018), Head of Human Capital Division (2019), Head of Strategic Planning and Performance Management Division (2021).
Legal Basis of Appointment	: Since June 2, 2022, he has served as Chairman of the Corporate Secretary based on the Decree of the Board of Directors No. 061/076/DIR/HCP/KEP dated May 12, 2022.

Corporate Secretary Competency Improvement Program

Throughout 2022, Bank Jatim's Corporate Secretary has participated in various competency improvement programs in the form of training, workshops, conferences and seminars, as shown in the following table:

Type of Training	Competency Development Material	Time and Place of Implementation	Organizer
Webinar	Dissemination of Amendments to Rule Number I-A concerning Listing of Shares and Equity-Type Securities Other Than Shares Issued by Listed Companies	January 11, Online	PT Bursa Efek Indonesia
Webinar	Managing Subsidiaries by Holding Co and Current Practices by Group Legal	January 11, Online	ICSA



Type of Training	Competency Development Material	Time and Place of Implementation	Organizer
Webinar	Rule Number I-N concerning Delisting of Equity Securities, Debt Securities, and Sukuk and Relisting of Shares	January 19, Online	PT Bursa Efek Indonesia
Webinar	Socialization of Financial Services Authority Regulation Number 23/POJK.04/2021	January 31, Online	PT Bursa Efek Indonesia
Webinar	In-depth Annual Report (POJK 29/2016 & SEOJK 16/2021) and Sustainability Report (POJK 51/2017)	February 3, Online	ICSA
Webinar	Dissemination of Regulations for Companies that have conducted an Initial Public Offering of Shares/Bonds	February 17, Online	Otoritas Jasa Keuangan
Webinar	Socialization of POJK Number 4 & SEOJK Number 4 2022	March 25, Online	PT Bursa Efek Indonesia
Webinar	Socialization of POJK 4 & SEOJK 4 2022	April 25, Online	PT Bursa Efek Indonesia
Webinar	Dissemination of Free Float Provisions and Reporting: Changes in Information on Report Format E009 - Monthly Report on Securities Holder Registration/ Changes in Shareholder Structure	June 24, Online	PT Bursa Efek Indonesia
Webinar	Internal Auditor and Corporate Secretary Collaboration to Improve ERM	August 16, Online	ICSA
Webinar	POJK 14 of 2022 Concerning Submission of Periodic Financial Reports of Issuers or Public Companies and POJK 15 of 2022 Concerning Stock Split and Merger of Shares by Public Companies	September 22, Online	AEI
Socialization	Regulation I-E concerning Obligation to Submit Information	October 11, Online	PT Bursa Efek Indonesia
Workshop	Deepening and Implementation Related to OJK Circular Letter Number 16/SEOJK.04/2021 and POJK number 34/POJK.04/2014	November 15, Online	AEI

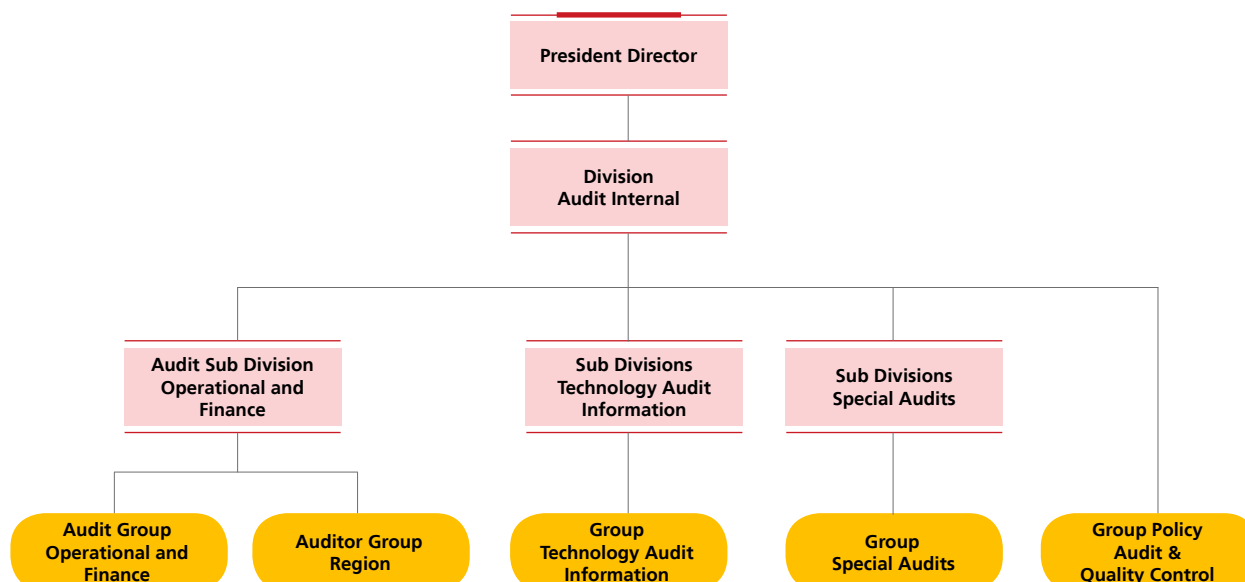
Implementation of Corporate Secretary Assignments in 2022

In 2022, the Corporate Secretary has carried out his duties and responsibilities in accordance with the functions carried as follows:

- Holding the 2021 Annual General Meeting of Shareholders on March 17, 2021, the 2022 Extraordinary General Meeting of Shareholders on December 7, 2022. 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.
- 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.
- Participated in the Public Expose Live which was held by the Indonesia Stock Exchange on September 13, 2022.
- Participating in the Capital Market Summit organized by the Indonesia Stock Exchange on October 13-15, 2022.
- Submitted periodic reports and incidental reports to regulators in accordance with applicable regulations.
- Submitted information disclosure in accordance with applicable regulations.
- 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.
- Organized media gatherings 2 times by inviting leading media with offices in East Java.
- Coordinating the preparation of the Bank's Annual Report Book.
- 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.
- Accommodating student and student requests in submitting Field Work Practices and research at Bank Jatim.
- Administered, distributed and followed up on incoming and outgoing mail.
- Coordinating the procedures and concepts for Board of Directors meetings, ceremonies, Bank events and other meetings.

Internal Audit Division

Organizational Structure of The Internal Audit Division



The Position of The Internal Audit Division in Organizational Structure

The structure and position of the Internal Audit Division is regulated and determined according to:

1. POJK No.1/POJK.03/2019 concerning the Implementation of the Internal Audit Function in Commercial Banks.
2. Decree of the Board of Directors of Bank Jatim No. 061/162/DIR/AUI/KEP dated July 15, 2022 concerning the Internal Audit Charter for the East Java Regional Development Bank.
3. Decree of the Board of Directors No. 058/158/DIR/PRS/KEP, dated June 17, 2019 concerning the Organizational Structure and Work Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk.
4. Decision of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk. No. 061/03/60/DIR/AUI/KEP dated December 27, 2022 concerning Standard Operating Procedure (SOP) for Internal Audit Activities.
5. Decree of the Board of Directors No. 060/22/DIR/AUI/KEP dated January 28, 2021 concerning Handbook for Implementation of Anti-Fraud Strategy PT Bank Pembangunan Daerah Jawa Timur.
6. Decree of the Board of Directors No. 058/234/DIR/AUI/KEP dated August 26, 2019 concerning Guidelines for Implementation of Information Technology Internal Audit PT Bank Pembangunan Daerah Jawa Timur Tbk.

7. Decree of the Board of Directors No. 060/02/04/DIR/AUI/KEP November 30, 2021 concerning Product Policy and Internal Audit Activities

The Head of the Internal Audit Division reports directly to the President Director. To support independence and ensure the smooth operation of the audit and the authority to monitor follow-up, the Internal Audit Division can communicate directly with the Board of Commissioners to inform various matters relating to the audit. The position, mechanism, duties and authority of the Internal Audit Division including transparency and clarity are significant matters in the management of Bank Jatim, so that the internal audit policy relating to responsibilities, authorities and levels of independence has been stated in the Internal Audit Charter signed by the President Director and approved by the Board of Commissioners on July 15, 2022 which was compiled based on POJK Number 01/POJK.03/2019 dated January 28, 2019 concerning the Obligation of Commercial Banks to Implement Standards for Implementing Bank Internal Audit Functions (SPFAIB) and Regulation of the Financial Services Authority No.56/POJK .04/2015 concerning the Formation and Guidelines for the Preparation of Internal Audit Charter.

Internal Audit Division Leader Profile



Ratna Hastutik

Internal Audit Division Chairman

Citizenship	: Indonesian Citizens
Domicile	: Sekardangan
Place and Date of Birth/Age	: Born in Bojonegoro in 1965. 58 Years old as of June 2022.
Riwayat Pendidikan	: <ul style="list-style-type: none"> Bachelor of Psychology, Putra Bangsa University, Surabaya (1990) Master of Law, University of 17 August 1945, Surabaya (2020)
Position History	: <ol style="list-style-type: none"> Acting Head of Internal Audit Division 2021 Branch Manager, Madiun Branch in 2017 Branch Manager, Ngawi Branch 2014 Acting Ngawi Branch Manager, Ngawi Branch in 2013 Acting Head of Sub Division of HR Development Division in 2012 Head of Operations for Sampang Branch in 2010 Head of Sub-Branch Krian Sidoarjo Branch in 2009 General Supervisor/HR Sidoarjo Branch in 2006 Customer Supervisor & Teller Sidoarjo Branch in 2006 General Supervisor/HR Sidoarjo Branch in 2003 Management of Education, Training & Human Resources Development Division 2002 Pengel staff. developer. Employee. HR Division Training & Development 2001 Employees of the Development Bag. Department of Education and Training of the Bureau of Human Resources in 1994
Internal Audit Certification	: <ol style="list-style-type: none"> CPIA (Certified Practitioner of Audit angkatan ke-21) "YPIA (Yayasan Pendidikan Internal Audit)" tahun 2021 Public training online pelatihan guide to cafm certification & cafm examination serta sertifikasi anti fraud unit internal Bank tahun 2021 "Asia Anti Fraud" tahun 2021 Training of Audit Basics "Accounting and Finance Development Center" 2021 Fraud Auditing Training 1 (FA-1) "LPFA(Lembg. Development of Fraud Auditing)" 2021
Training	: <ol style="list-style-type: none"> Risk Management Certification Refreshment Program "BSMR (Risk Management Certification Agency)" in 2016 2 Inhouse Training Risk Culture "One Point Indonesia" 2016 Consumer Banking Business & Casa Development Training "Pt Wyr Solusi Innovation" 2016 "One Point Indonesia" Trade Finance Training 2016 Level-4 Management Certification Training "Surabaya Management Institution (Lms)" 2017 Assessment of Executive Officers Batch 2 "Indonesian Banking Development Institute (LPPI)" Year 2019 Breakthrough Workshop Communication, Persuasion, Coaching Skill Improvement & Culture Program Execution" (Corporate Culture) "Ibi (Indonesian Bankers Association) - Bcc" 2019 Training on Environmental Impact Analysis (Amdal) in Providing Credit for "Pt Media Edutama Indonesia (May)" in 2019 Esq Digi Word Outstanding Mentality - Dr. (H.C) Ary Ginanjar Agustian "Esq - Dr. (H.C) Ary Ginanjar Agustian" Year 2020 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 Online Corporate Culture Training Workshop for "IBI" (Indonesian Bankers Association) Change Leaders in 2022 Top Leader Communication Forum with the theme "Agile-Resilience Motivation and Team Building Program "Go Orbit" in 2022 Becoming Extraordinary Leader "Tampubolon Youth" in 2022 Retail Credit Virtual Training: Main Risks & "IAIB" Audit Focus (Association of Bank Internal Auditors) in 2022 Virtual Data Analytic Training Techniques, Implementation and Machine Learning, IAIB (Internal Bank Auditor Association) 2022
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 July 15, 2022.

1. Financial Services Authority Regulation No. 56/POJK.04/2015 concerning the Establishment and Guidelines for the Preparation of the Internal Audit Charter.
2. Circular of the Financial Services Authority No. 21/SEOJK.03/2017 dated June 6, 2017 concerning Application of Risk Management in the use of information technology by Commercial Banks.
3. Financial Services Authority Regulation No. 1/POJK.03/2019 Concerning the Implementation of the Internal Audit Function in Commercial Banks.
4. Financial Services Authority Regulation No. 39/POJK.03/2019 concerning the implementation of the Anti-Fraud strategy for Commercial Banks.
5. Financial Services Authority Regulation No. 38/POJK.03/2016 dated December 1, 2016 concerning the application of risk management in the use of information technology by Commercial Banks as the last amendment to the Financial Services Authority regulation No. 13/POJK.03/2020 dated March 24, 2020.
6. Bank Indonesia Regulation No. 22/23/PBI/2020 dated December 29, 2020 regarding the payment system.
7. Bank Indonesia Regulation No. 23/06/PBI/2021 dated July 2, 2021 regarding payment service providers.

The Internal Audit Charter was created to provide an overview/guideline related to the Vision, Mission, and functions of the Position in the Organization, Scope, Authority and Responsibility, Statement of Independence, Internal Audit Activities & Investigation and Reporting.

Duties and Responsibilities of Internal Audit Division

The responsibilities of the Internal Audit Division, namely:

1. Plan and carry out Internal Audit activities with an emphasis on areas/activities that have high risk and evaluate existing

procedures/control systems to gain confidence that the goals and objectives of the Bank can be achieved optimally.

2. Carry out steps in order to dig up information (investigation), report, and submit recommendations/conclusions on fraud to Management.
3. Provide recommendations on audit results and monitor followup 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:

1. Monitor the implementation of Internal Audit in related companies in financial conglomerates.
2. 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:

1. Conducting Internal Audit activities on the activities of all work units in the Bank organization as well as offsite related company audits.
2. Communicating directly with the President Director, the Board of Commissioners, and/or the Audit Committee.
3. Communicating with external parties including regulators.
4. 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.
5. 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
Junior Auditor	44
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	Types of Training and Development MaterialsCompetency / Certification
1.	January 27, 2022	In House Commercial Credit Training
2.	March 5, 2022	Thales Luna S700 HSM Device Training
3.	March 26, 2022	Kubernetes training
4.	May 21, 2022	BI-Fast Infrastructure Knowledge Transfer Training
5.	June 17, 2022	PIA Certification
6.	July 4, 2022	Workshop Counterparty Credit Line
7.	September 8, 2022	ISO 27001:2013 Training and Workshop
8.	December 5, 2022	CFrA Certification

Internal Audit Division Personnel Certification

Certifications that have been held by the Auditor include:

Certification	Amount
BSMR 1	20
BSMR 2	11
BSMR 3	7
BSMR 4	3
CAFM	1
CPIA	17
CBIA	13
CISA	1
TREASURY DEALER	1
IT-IL V3	3
CCNA	1
Credit	1

Auditor Code of Ethics

The Internal Audit Division must strive to be able to play a role as a consultant for internal parties that need it, especially regarding the scope of their duties. The Internal Audit Division can provide responses to proposals for policies or new systems and procedures to assess aspects of internal control so that in its implementation its objectives can be achieved effectively and efficiently.

With the involvement of the Internal Audit Division in this system review, it does not mean that those things will be excluded as audit objects. **The Internal Audit Division does not have the authority or responsibility to carry out operational activities of the Auditee.**

Independence

The Internal Audit Division has independence in carrying out Internal Audit and investigative activities, expressing views and thoughts in accordance with its profession and applicable standards.

1. Management must provide full support for the functions of the Internal Audit Division in order to be able to carry out their duties freely without interference from any party and management must follow up on the findings of the Internal Audit Division.
2. Internal Auditors are able to express their views and thoughts without influence or pressure from any other party.
3. The Internal Audit Division has the freedom to determine the audit methods, scope, methods, techniques and approaches to be carried out.
4. In managing Internal Audit Division personnel, with the approval of the President Director and Head of the Internal Audit Division.

Objectivity

1. Internal Auditors and Investigators must have an independent mental attitude in carrying out internal audit and investigative activities. This mental attitude is reflected in a complete, objective report and based on careful and impartial analysis.
2. Internal Auditors and Investigators are free from conflicts of interest over the object or activity being examined. If the Internal Auditor and Investigator have a conflict of interest in the object or activity being examined, the person concerned must state the connection and not be assigned to carry out an audit of the object or activity in question..

Professionalism

Professionalism becomes a reference for the Auditor in carrying out his duties. For this reason the auditor must have the attitude:

1. Integrity, mental attitude that is independent, honest, objective, diligent, reliable, decisive, trustworthy, avoids conflicts of interest and upholds the ethics and profession of the Internal Auditor, including being wise and cautious in using information obtained in carrying out tasks and not use confidential information for personal interests or other things that could cause harm to the Bank (confidentiality code).
2. Competencies in accordance with the required competency profile.
3. The ability to interact and communicate effectively both verbally and in writing.
4. Obligation to comply with the Internal Auditor's Code of Ethics and the Internal Auditor's Professional Standards for the Internal Auditor and the Investigator's Code of Ethics and Investigator's Professional Standards for Investigators.
5. Obligation to maintain the confidentiality of company information and/or data related to carrying out the duties and responsibilities of the Internal Auditor unless required by statutory regulations or court decisions/decisions.

Brief Report on The Implementation of Internal Audit Activities In 2022

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 2022

Audit activities in 2022 according to the 2022 Internal Audit Division Audit Work Plan (Audit Plan) No. 061/001/AUI/AUDITPLAN dated January 11, 2022. General audit examinations were carried out at 41 (forty one) conventional Branch Offices, 7 (seven) Sharia Branch Offices and Bank Jatim Head Office.

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 2022, 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	3
3.	Branch and Division Exit Meeting	78



Findings and Follow Up on Audit Results

The Internal Audit Division must monitor and analyze and report the progress of the implementation of the follow-up improvements that have been made by the Auditee. The followup includes:

1. Monitoring of follow-up implementation
Monitoring of follow-up implementation must be carried out so that progress can be known and can be reminded to the Auditee if the auditee has not been able to carry out the commitment to improve before or until the promised time limit.
2. Analysis of adequacy of follow-up
From the results of monitoring of follow-up implementation, an adequacy analysis was carried out on the realization of the promise of improvement that had been carried out by the auditee. Furthermore, a follow-up check needs to be done if there are difficulties or obstacles that cause the follow-up to be unable to be carried out properly. Every time a followup is held, there is a follow-up evidence report signed by the auditor and auditee.
3. Follow-up Reporting
In its implementation, if the follow-up has not been fully fulfilled by the Auditee, the Head of the Internal Audit Division provides a written report to the President Director and the Board of Commissioners as well as a copy to the Audit Committee and the Director of Compliance and Risk Management for further action.
4. Compliance with the follow-up to General Audit findings.
If 3 months of no follow-up progress, follow-up monitoring is submitted to the Compliance and Governance Division, and the Compliance and Governance Division periodically coordinates with the Auditee regarding the follow-up development of findings by inviting the Internal Audit Division.

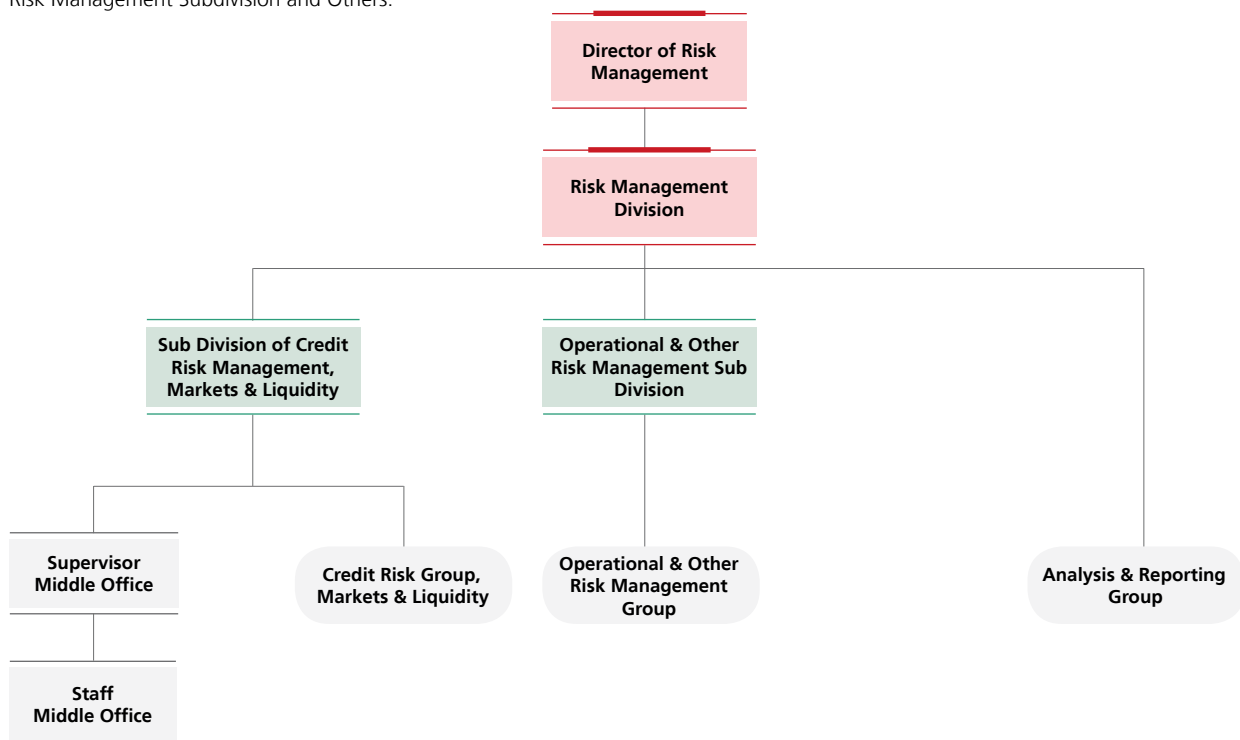
The number of findings and follow-up on audit results as of December 31, 2022 is as follows..

Description	Number of Findings	Done Follow up	Monitor Process
Divisions and Branches	7,061	6,771	290

Corporate Risk Management Division

Structure of Corporate Risk Management Division

The structure of the Company Risk Management Division consists of the Compliance and Risk Management Director who oversees the Corporate Risk Management Division which consists of the Credit, Market and Liquidity Risk Management Subdivision and the Operational Risk Management Subdivision and Others.



Duties and Responsibilities of The Corporate Risk Management Division

The duties and responsibilities of the Risk Management Division were as follows:

1. Provide input to the Board of Directors in preparing Risk Management policies, strategies and frameworks.
2. Develop procedures and tools for identification, measurement, monitoring and risk control.
3. Design and implement the tools needed in the implementation of risk management.
4. Monitor the implementation of Risk Management policies, strategies and frameworks recommended by the risk management committee and approved by the Board of Directors.
5. Monitor overall risk position or exposure, as well as per risk, including monitoring compliance with established risk tolerances and limits.
6. Conduct Stress Testing to determine the impact of the implementation of risk management policies and strategies on the Bank's overall portfolio or performance
7. Review proposed new products and/or activities developed by a work unit including the completeness of the systems and procedures used and their impact on the overall risk exposure of the Bank.
8. Provide recommendations to the risk-taking unit and/or to the Risk Management committee regarding the implementation of risk management.
9. Evaluate the accuracy and validity of the data used to measure risk for Banks using models for internal Bank purposes.
10. Prepare and submit reports on Bank Soundness Level, Bank Risk Profile, KPMM in accordance with the Risk Profile to the main Director and the Director in charge of the risk management function.
11. Carry out periodic reviews of the process of implementing Risk Management.

Profile of The Leader of Corporate Risk Management Division

Pemimpin Divisi Manajemen Risiko tahun 2022 dijabat oleh Bapak Wardhana Suryaاتمaja.



Wardhana Suryaاتمaja

Risk Management Division Leader

Citizenship	: Indonesian Citizens
Domicile	: Surabaya
Place and date of birth	: Born in Surabaya in 1967. 55 years old as of December 2022
Educational background	: <ul style="list-style-type: none"> • Bachelor of Development Studies from Wijaya Putra University (1995). • Master of Management from Artha Bodhi Iswara School of Economics (1998).
Certification	: Level 5 Risk Management Certification
Position History	<p>He joined Bank Jatim in 1993, prior to occupying his current position, he held the following positions:</p> <ul style="list-style-type: none"> • Head of Risk Management Division (2022 – present) • Head of the General Division (2019 – 2022) • Head of Product and Policy Development Division (2018-2019) • Head of Information Technology Division (2017-2018) • Head of Accounting Sub Division (2015-2017) • Madiun Sharia Branch Manager (2015-2015)
Basis of Appointment	: Since 2022, he served as Head of the Risk Management Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.



Risk Management Competency Development

The competency development that has been followed by the Company's Risk Management Division employees during 2022 is as follows.

No.	Name of Education and Competency Development	Execution time
1.	Banking Risk Management	June 2022
2.	Understanding of Loan Exposure Limit in accordance with POJK No 32/POJK.03/2018 for Commercial Banks	July 2022
3.	Management of Liquidity Risk for BAU conditions, stress and fulfillment of regulatory requirements (Basel III – LCR, NFSR and ILAPP)	July 2022
4.	Counterparty Credit Line: Managing Credit Risk in Treasury Transactions	July 2022
5.	<i>Metaverse, Cryptocurrency - Future Opportunities and Challenges</i>	August 2022
6.	Public Training "Apolo and Antasena Metadata"	August 2022
7.	Market Risk & Bank Marketable Financial Exposure	September 2022
8.	<i>Management of Available For Sale (AFS) Securities Portfolio or Fair Value Through Other Comprehensive Income</i>	November 2022

Risk Management Certification

No	Certification	Position	Amount
1	Risk Management Certification Level 5	Directors	5
		Division Leader	11
		Head of Sub Division/Leader of Branch at the same level	1
2	Risk Management Certification Level 4	Level Division Leader	9
		Head of Sub Division/Leader of Branch at the same level	77
		Senior/Branch Equivalent Head	1
3	Risk Management Certification Level 3	Head of Sub Division/Leader of Branch at the same level	27
		Senior/Branch Equivalent Head	218
		Officer/Supervisor Equivalent	4
		Level staff	3
4	Risk Management Certification Level 2	Commissioner	3
		Senior/Branch Equivalent Head	44
		Officer/Supervisor Equivalent	750
		Level staff	17
5	Risk Management Certification Level 1	Officer/Supervisor Equivalent	82
		Level staff	248

Implementation Duties of The Risk Management Division in 2022

During 2022, the Risk Management Division has carried out its duties and responsibilities, including:

1. In line with the rule making rule policy, the Risk Management Division strived to fulfill and comply with the applicable regulations through the preparation and review of risk management policies, both Main and Activity Policies, Standard Operating Procedures and Technical Guidelines.
2. Compile Risk Assessment of New and Existing Products/Activities.
3. Execute the Risk Management Committee.
4. Prepare and submit Reports to Regulators.
5. Compile a Stress Test.
6. Review the methodology in assessing Bank Soundness Level Parameters.
7. Monitor Risk Management Activities.
8. Review and updating Risk Limits.
9. Compliance with regulatory provisions related to changes in the calculation of RWA for credit risk and operational risk.

10. Improve the quality of human resources through training programs both Public Training and In House Training as well as Risk Management Certification.
11. Implement a risk culture strengthening program in order to increase employee awareness of the risks faced in each work unit.

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 061/218/DIR/PRS/KEP dated December 7, 2022, 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 2022 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
 - 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
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

Decree of the Board of Directors of PT Regional Development Bank East Java Number 061/218/DIR/PRS/KEP dated December 7, 2022 concerning the Organizational Structure and Work Procedure of PT Bank Pembangunan Daerah Jawa Timur Tbk has revoked the Decree of the Directors of PT Bank Pembangunan Daerah Jawa

Timur Tbk Number 058/ 158/DIR/PRS/KEP dated June 17, 2019 concerning the Organizational Structure and Work Procedures of PT Bank Pembangunan Daerah Jawa Timur Tbk. There was a regulation in the Decree of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Number 061/218/DIR/PRS/KEP dated December 7, 2022, including that things to be done during the transition period include but were not limited to:

1. Meeting the needs of Human Resources including transfer of knowledge and fulfillment of the required competencies;
2. Fulfillment and updating of internal provisions (KPA, SOP, Technical Guidelines, Job Descriptions and other related provisions);
3. Fulfillment of the required facilities and infrastructure (including information systems and technology).

Changes to the Organizational Structure and Work Procedures were further regulated in the Board of Directors Circular Number 061/014/DIR/PRS/SE dated December 7, 2022 concerning the Pre-Transition Stage of the Organizational Structure and Work Procedures of Bank Jatim, which regulated:

1. The authorities and responsibilities of the Board of Directors and the Division on existing internal provisions (KPA/SOP/ Juknis) were declared to remain valid. If there was a change/ movement of division nomenclature to be adjusted with the Director of the field in charge.
2. For the implementation of the pre-transition stage organizational structure which had an impact on internal provisions, to be updated with a period of 2 months starting from the stipulation of the Board of Directors Circular Letter regarding the Pre-Transition Stage Organizational Structure.

Asset Liability Committee

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
Substitute chairman	Director of Finance	Have voting rights
Secretary Permanent Member	<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



Position	Accorded By	Voting Rights Status
Invitation	<ol style="list-style-type: none"> 1. Director of Compliance & Risk Management 2. Human Capital Leader 3. Head of Internal Audit Division 4. Head of Compliance & Governance Division 5. Head of the Legal Division 6. 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. 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 Committee	Agenda	Initiator Division	Total Agenda	ALCO results	Attendance
1.	January 25, 2022	• List of Term & Condition Savings	Operations Division	1	Approved	85.7%
		• Corporate Credit Scheme Interest Rates • Productive general financing interest rates	Sharia Business Division	2	Approved	85.7%
		• List of Term & Condition E-Money • List of Term & Condition BI-Fast	Funds & Services Division	2	Approved	85.7%
2.	February 21, 2022	• List of Term & Condition Samsat Kampus (syariah mirroring)	Funds & Services Division	1	Approved	100%
		• List of Term & Condition KUR	Retail and Program Micro Credit Division	1	Approved	100%
3.	March 14, 2022	• List of Term & Condition QRIS • List of Term & Condition bank notes on Current Accounts, Savings and Foreign Currency Deposits	Funds & Services Division	2	Approved	90.5%
		• Multipurpose Loan Interest Rates	Consumer Credit Division	1	Approved	90.5%
		• Other provisions	Treasury Division	1	Approved	90.5%
		• KLE ib Barokah margin	Sharia Division	1	Approved	90.5%
4.	April 14, 2022	• BPR Linkage Credit Interest Rate	Retail and Program Micro Credit Division	1	Approved	85.7%
		• BPRS Linkage Financing Pricing • Stimulus for customers affected by covid	Sharia Division	2	Approved	85.75
		• Pricing DOC	Treasury Division	1	Approved	85.7%
5.	May 25, 2022	• List of Term & Condition BI-Fast	Funds & Services Division	1	Approved	76.2%
		• List of Terms & Conditions for Commercial, Corporate and Syndicated Credit Schemes • List of Terms & Conditions for KMK PRK (revolving) & installments (Aplofen) • List of Term & Condition Keppres • List of Term & Condition Standbyloan • List of Terms & Conditions for Receivable Financing • List of Terms & Conditions Bank Guarantee • List of Term & Condition Cash Collateral Credit	Corporate Commercial Credit and Syndicated Division	7	Approved	76.2%
6.	June 9, 2022	• List of Terms & Conditions for Multipurpose Loans • Education KMG Interest Rate • KKB Interest Rate	Consumer Division	3	Approved	76.2%
		• Property Loan Interest Rates • KKB Loan Interest Rates	Consumer Credit Division	2	Not Approved	85.7%
7.	July 7, 2022	• List of Term & Condition E-Money • Deposit Counter rate Interest Rate	Funds & Services Division	2	Approved	85.7%
		• Micro and Retail Jatim Credit Rewards and Referrals • Interest Rates & List of terms & conditions of the warehouse receipt subsidy scheme (S-SRG)	Retail and Program Micro Credit Division	2	Approved	95.2%
8.	August 11, 2022	• Like-like priority cycle program	Funds & Services Division	1	Approved	95.2%
		• List of Terms & Conditions for Santri Savings	Sharia Business Division	1	Approved	90.5%
9.	September 16, 2022	• Deposit Counter Rate Interest Rate	Funds & Services Division	1	Approved	90.5%
		• List of Term & Condition J-Connect Remittance	Funds & Services Division	1	Approved	80.9%
9.	September 16, 2022	• Reward Referral • East Java Micro and Retail Credit Interest Rates • List of Terms & Conditions for DO Sugar Loans	Retail and Program Micro Credit Division	3	Approved	80.9%



No	ALCO Committee	Agenda	Initiator Division	Total Agenda	ALCO results	Attendance
10.	October 12, 2022	<ul style="list-style-type: none"> Gold Metal Grading Standards (SIMPLE) <ul style="list-style-type: none"> Precious metal Jewellery List of Terms & Conditions for Gold Pawn Financing 	Sharia Business Division	2	Approved	76.2%
		<ul style="list-style-type: none"> East Java Micro Credit Interest Rates 	Retail and Program Micro Credit Division	1	Approved	76.2%
		<ul style="list-style-type: none"> KKB Wheel 4 Credit Interest Rate (disagree) CCC Interest Rate & List of Terms & Conditions (agreed) Multipurpose loan interest rate (disagree) Multipurpose Credit Marketing Program (agree) Property Loan Interest Rate (agreed) 	Consumer Division	5	Approved	76.2%
		<ul style="list-style-type: none"> List of Term & Condition BI-Fast J-Connect Internet Banking List of Term & Condition KIA Payment E-Katepay Rupiah and Foreign Currency Deposit Interest Rates Forex Savings interest rates Foreign Currency Current Account Interest Rates 	Funds & Services Division	5	Approved	76.2%
11.	November 14, 2022	<ul style="list-style-type: none"> List of Term & Condition Student Savings 	Sharia Business Division	1	Approved	80.9%
12.	December 6, 2022	<ul style="list-style-type: none"> List of Term & Condition Kartu ATM dan Hard Token Syariah Mirroring 	Operations Division	1	Approved	90.5%
13.	December 28, 2022	<ul style="list-style-type: none"> List of Terms & Conditions for ATM Cards and Hard Tokens Sharia Mirroring 	Retail and Program Micro Credit Division	1	Approved	100%
		<ul style="list-style-type: none"> Referral Rewards specifically for KUR to smallholder sugarcane farmers assisted by PT Sinergi Gula Nusantara 				

Risk Management Committee

The Risk Management Committee is established to maintain risk exposures at tolerable or profitable limits, so the Bank can conduct its business activities and remain under control (manageable) based on the principle of prudence.

STRUCTURE AND MEMBERSHIP OF RISK MANAGEMENT COMMITTEE

The structure and membership of the Risk Management Committee are as follows.

Position	Accorded By	Accorded By Voting Rights Status
Chairman	President director	Have voting rights
Interim Head of Committee	Director of 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 has duties, authorities and responsibilities, among others:

- Formulating policies and strategies for implementing risk management.
- Delivering Bank soundness level assessment and risk rating measurement.
- Establishing risk limits, business limits and other operational limits as well as contingency plans in the worst conditions.
- Determining matters related to business decisions that deviate from normal procedures.
- It delivers strategic issues that are in line with the business strategy set by the Division in charge.
- Providing recommendations to the President Director in formulating policies and strategies for implementing risk management.
- Providing recommendations to the President Director in order to improve and perfect risk management implementation based on evaluation results.
- Providing recommendations to the President Director in order to determine (justification) matters related to business decisions that deviate from normal procedures (irregularities) such as:
 - Significant business expansion exceeding decisions compared to the predetermined business plan.
 - 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

Committee	Agenda	Initiator Division	Number of Agenda	Results	Attendance Percentage
April 13, 2022	Review of Authority Limit for Approval of Fixed Assets Management and Inventory (Limit of Authority for Approval of Asset Disposal)	Corporate Risk Management Division	2	Approved at Komenko Meeting	86%
	Credit/Financing Portfolio Guidelines				
July 20, 2022	Review of Unrealized Loss Limit of Securities AFS Treasury Division	Treasury Division	2	Approved at Komenko Meeting	86%
	Review of Dealer Authority Limits (Dealer Limits) for transactions in the Treasury Division's Dealing Room	Treasury Division		Approved at Komenko Meeting	
Augustus 10, 2022	Review of Credit/Financing Approval Authority Limits (LKPK/P) for Cash and Non-Cash	1. Commercial, Corporate & Syndicated Credit Division 2. Micro Credit, Retail & Program Division 3. Consumer Credit Division 4. Credit Recovery & Settlement Division 5. Sharia Business Division 6. Operations Division 7. Business Risk Division	3	Approved at Komenko Meeting	100%
	Review of Credit/Financing Approval Authority Limits (LKPK/P) for Cash and Non-Cash with a Committee or Without a Committee			Loan/Financing Approval Authority Limits (LKPK/P) Cash and Non-Cash with a Committee or Without a Committee consisting of: 1. Loan/Financing Implementation Committee Limit (approved) 2. Loan/Financing Rescue Committee Limit (approved) 3. Credit Settlement/Financing Committee Limit (approved) 4. Loan/Financing Write-Off Credit Committee Limit (re-reviewed. Information: In Coordinating Committee #4 it was approved)	
	Review of Limit On The Spot (OTS) in the Credit/Financing Process			Approved at Komenko Meeting	



Committee	Agenda	Initiator Division	Number of Agenda	Results	Attendance Percentage
September 01, 2022	Loan/Financing Approval Authority Limit (LKPK/P) Cash and Non-Cash with a Committee or Without a Committee (Changes to Credit/Financing Write-off Committee Limits)	Credit Recovery and Settlement Division	1	Approved at Komenko Meeting	Sirkuler
September 22, 2022	Limits of Authority for Post Transfer Approval (Switching) and Budget Exceedings	Strategic Planning and Performance Management Division	1	Approved at Komenko Meeting	71%
Desember 22, 2022	Review of Loan/Financing Approval Authority Limits (LKPK/P) for Cash and Non-Cash	Risk Management Division	3	Approved at Komenko Meeting	86%
	Review of Limit On The Spot (OTS) in the Credit/Financing Process	Risk Management Division		Approved at Komenko Meeting	
	Review of Authority Limits for Approval and Payment for Procurement of Goods and Services and Non-Product Costs	Human Capital Division		Approved at Komenko Meeting	

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	Have Sound
Substitute Head	Director of Fields Obtaining Appointment from the Main Director	Have sound
Member	Director of other fields and SEVP in charge of the Human Capital Division	Have sound
Secretary	Head of the Human Capital Division	Have no sound

DUTIES, AUTHORITIES AND RESPONSIBILITIES OF THE EMPLOYMENT COMMITTEE

The Personnel Management Committee has duties, authorities and responsibilities, among others:

- The duties, authorities and responsibilities of the Board of Directors Committee are divided into 3 (three) areas consisting of:
 - Policy Area
 - Career Management
 - Office Punishment
- The duties, authorities and responsibilities of the Board of Directors Committee in the policy field include:
 - Ensure that the main policies related to Human Capital activities are consistent and in line with the company's strategic planning (Corporate plan).
 - Establish and decide standard operating procedures in the field of Human Capital
- Duties, authorities and responsibilities of the Board of Directors Committee in the field of career management include:
 - Deciding on the implementation of the official transfer/ promotion program at Echelon 1 and Echelon 2 levels.
 - Evaluating the Key Performance Indicators (KPI) of individual officials with echelon 1 levels.
- The duties, authorities and responsibilities of the Board of Directors Committee in the field of disciplinary punishment are to decide on disciplinary violation sanctions for employees with echelon 1 and 2 levels and echelon levels below them if the violations are interrelated.

EMPLOYMENT COMMITTEE MEMBERS PROFILE

Profiles of Personnel Management Committee Members can be seen in the Profiles of Directors and Heads of Division in the Company Profile Chapter in this Annual Report.

STATEMENT OF INDEPENDENCE OF EMPLOYEE MANAGEMENT COMMITTEE

All committee members have no affiliation with Other Directors, Commissioners or Controlling Shareholders, are not shareholders of the Company which can affect their ability to act independently, Commissioners, Directors or employees of companies that have affiliation or business with the Bank.

MEETINGS AND IMPLEMENTATION OF THE TASKS OF THE EMPLOYEE MANAGEMENT COMMITTEE

No	Board of Directors Committee	Agenda	Initiator Division	Number of Agenda	Results of the Board of Directors Committee	Attendance
1.	February 25, 2022	• Circular-Fulfillment of Vacant Positions for Head of Batam Branch	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
2.	March 8, 2022	• Circular-Fulfillment of Vacant Positions Head of Sharia Business Division	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
3.	March 28, 2022	• Circular-Discussion of Individual KPIs for Echelon 1 Officials for the 2021 Performance Year	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
4.	April 6, 2022	• Circular-Fulfillment of Vacant Positions	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
5.	April 11, 2022	• Determination of Office Penalties for Problems in the Malang Branch, Kepanjen Branch, Malang Sharia Branch	Human Capital Division	3	Approved by the Board of Directors Committee Forum	100%
6.	May 9, 2022	• Personal Grade Increase	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
7.	May 10, 2022	• Circular- Charging of Echelon 2 Officials	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
8.	May 11, 2022	• Circular - Termination of Employee Service	Human Capital Division	1	Disapproved Board of Directors Committee Forum	circular
9.	May 18, 2022	• Total SOP Policy Improvement Rewards	Human Capital Division	1	Disapproved Board of Directors Committee Forum	circular
10.	July 6, 2022	• Fulfillment of Vacant Positions	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
11.	July 13, 2022	• Circular - SOP KMK	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
12.	August 16, 2022	• The vacancy of the DPP Director	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
13.	September 1, 2022	• Employee welfare	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
14.	September 5, 2022	• Circular- Charging of Echelon 2 Officials	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
15.	September 12, 2022	• Fulfillment of Vacant Positions	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
16.	September 20, 2022	• Fulfillment of Vacant Positions	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
17.	September 29, 2022	• Circular- Fulfillment of Vacant Positions	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
18.	October 17, 2022	• Punishment for Problems in the Bawean Branch	Human Capital Division	1	Approved by the Board of Directors Committee Forum	100%
19.	October 19, 2022	• Circular – Recruitment of Experienced Employees Echelon 2)	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
20.	November 16, 2022	• Circular – SOP Recruitment & Selection and SOP Administration Plt/Pgs	Human Capital Division	2	Approved by the Board of Directors Committee Forum	circular
21.	November 18, 2022	• Circular- Fulfillment of Vacant Positions	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular



No	Board of Directors Committee	Agenda	Initiator Division	Number of Agenda	Results of the Board of Directors Committee	Attendance
22.	November 22, 2022	<ul style="list-style-type: none"> Circular – SOP for Grading System and Remuneration Adjustment of Nomenclature with the latest SO 	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
23.	November 28, 2022	<ul style="list-style-type: none"> Circular – SOP Corporate Culture 	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
24.	December 1, 2022	<ul style="list-style-type: none"> Punishment of Stone Branch Issues SOP MOP 	Human Capital Division	2	Approved by the Board of Directors Committee Forum	100%
25.	December 14, 2022	<ul style="list-style-type: none"> Circular – Transfer of Employee Tasks 	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
26.	December 22, 2022	<ul style="list-style-type: none"> Circular – Transfer of Employee Tasks 	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular
27.	December 23, 2022	<ul style="list-style-type: none"> Circular – SOP of Employee Career Development Program 	Human Capital Division	1	Approved by the Board of Directors Committee Forum	circular

Information Technology Steering Committee

The roles and functions of the Information Technology Steering Committee (ITSC) are:

1. Information Technology Steering Committee (ITSC) is part of IT governance in providing recommendations, the committee must pay attention to the efficiency factor as part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the Bank and customers.
2. As part of IT governance in order to minimize the risk associated with the use of IT and to protect the interests of the IT Steering Committee, it was formed as a manifestation of the commitment of the Board of Directors and management of Bank Jatim in the form of active supervision of IT management. As stipulated in POJK MRTI, ITSC plays a role in assisting the implementation of the Board of Directors' duties in establishing the Information Technology Strategic Plan and Bank policies related to the use of Information Technology.

STRUCTURE AND MEMBERSHIP OF INFORMATION TECHNOLOGY STEERING COMMITTEE

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 Strategic Planning & Branch Development 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

ITSC had duties, authorities and responsibilities including:

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.
11. 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	Number of Agenda	IT Committee results	Attendance (%)
1	June 29, 2022	<ul style="list-style-type: none"> • Submission of IT Committee Materials • IT Division Performance Evaluation for 2022 • Adjustments to IT Division Bank Business Plans for 2022 	Information Technology Division	3	Approved	84%
2.	November 21, 2022	<ul style="list-style-type: none"> a. IT Division RBB Progress in 2022 b. Progress Project Commitment in 2022 c. 2022 IT Budget Realization d. IT Registered Application Data e. 2022 Audit Findings Follow-Up Progress f. Governance Strengthening g. Challenges Faced h. SO Transformation (POJK PTI) i. RSTI Review (2022 – 2026) 	Information Technology Division	9	Approved	84%

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	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	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk Division Leader in charge of Credit Administration
		A2	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	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk Division Leader in charge of Credit Administration
		A3	1. Direktur yang membidangi kredit sesuai segmentasi 2. Pemimpin Divisi Yang Membidangi Kredit sesuai Segmentasi 3. Pemimpin Cabang Pengusul atau 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	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	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	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	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	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. Membership Structure of the Credit Rescue Committee

Category	Credit Rescue Committee	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 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	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk Division Leader in charge of Credit Administration

Category	Credit Rescue Committee	Business Function Group	Business Risk Function Group	Supporting Business Function Group
	A2	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	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration
	A3.1	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	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration
	A3.2	1. Division Leader in charge of Credit Rescue (collectibility 3, 4 and 5) 2. Head of Proposing Branch or Booking Office	1. Director in charge of Credit Risk 2. 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	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 (for collectibility 1 and 2) 6. Division Leader in charge of Financing Rescue (collectibility 3, 4 and 5) 7. Head of Proposing Branch or Booking Office	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	1. Director in charge of Finance 2. Director in charge of credit 3. SEVP UUS 4. Division Leader in charge of Financing (for collectibility 1 and 2) 5. Division Leader in charge of Financing Rescue (collectibility 3, 4 and 5) 6. Head of Proposing Branch or Booking Office	1. Director in charge of Financing Risk 2. Division Leader in charge of Financing Risk	Head of Sub Division in charge of Financing Administration
		A3.1	1. Director in charge of Finance 2. SEVP UUS 3. Division Leader in charge of Financing (for collectibility 1 and 2) 4. 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	1. SEVP UUS 2. Division Leader in charge of Financing Rescue (for collectibility 3, 4 and 5) 3. Head of Proposing Branch or Booking Office	1. Director in charge of Financing Risk 2. 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	1. President director 2. 2 (two) Directors in charge of credit business 3. Division Leader in charge of Credit Settlement 4. Head of Proposing Branch or Booking Office	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration
		A2	1. 2 (two) Directors in charge of credit business 2. Division Leader in charge of Credit Settlement 3. Head of Proposing Branch or Booking Office 4. 4 and 5) 5. Head of Proposing Branch or Booking Office	1. Director in charge of Credit Risk 2. Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration
		A3.1	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 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	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	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	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	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	1. SEVP UUS 2. Division Leader in charge of Financing (for collectibility 1 and 2) 3. Head of Proposing Branch or Booking Office	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	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	1. Director in charge of Credit Risk 2. 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
	A2	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	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 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	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 TreasuryTreasury Division Leader	Division Leader in charge of Credit Risk	Division Leader in charge of Credit Administration

9. Struktur Keanggotaan Komite Hapus Buku Kredit

Category	Committee		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. Division leader in charge of Write Off Credit 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

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

1. Provide direction if necessary to conduct a more in-depth and comprehensive credit analysis (review of the credit analysis memorandum);
2. Provide a decision or recommendation on the draft credit decision submitted by the recommendation provider/proposer which is related but not limited to:
 - 1) Large debtors
 - 2) Industry specific
3. Coordinate with the Asset & Liabilities Committee (ALCO) in terms of credit funding aspects and credit interest rate adjustments if necessary;
4. Give approval or credit rejection of the proposed credit facility in accordance with the credit limit set by the Board of Directors;
5. Give approval or rejection of rescue and settlement of credit/ financing by the credit authority limit set by the Board of Directors;
6. Give approval or refusal to write off credit/financing books following the credit authority limit set by the Board of Directors;
7. Give approval or rejection of Credit Line or Term Loan (TLF) under the credit authority limit set by the Board of Directors;
8. Establish credit plans, both restructured and unstructured from other financial institutions.

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

No	Date	Agenda	Initiator Division	Committee Decision	Committee Attendance
1.	04/01/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
2.	19/04/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
3.	22/04/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
4.	26/04/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
5.	28/04/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
6.	13/05/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
7.	10/06/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
8.	13/06/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
9.	15/06/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
10.	22/07/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
11.	05/08/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
12.	16/08/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
13.	16/08/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
14.	12/09/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
15.	12/09/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
16.	16/09/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
17.	20/09/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
18.	26/09/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
19.	27/09/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
20.	19/10/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
21.	01/11/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
22.	02/11/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
23.	02/11/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
24.	02/11/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
25.	24/11/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
26.	24/11/2022	Credit Implementation	Retail Microcredit and Programs	Approved	100%
27.	19/12/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
28.	19/12/2022	Credit Implementation	Corporate and Syndicated Commercial Loans	Approved	100%
29.	27/12/2022	Credit Implementation	Retail & Medium Micro Credit	Approved	100%
30.	28/12/2022	Credit Implementation	Retail & Medium Micro Credit	Approved	100%
31.	29/12/2022	Credit Implementation	Retail & Medium Micro Credit	Not approved	100%

**2. Credit Rescue Committee Implementation Achievements**

No	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attedance
1.	31/03/2022	Credit Rescue	Corporate and Syndicated Commercial Loans	Approved	100%
2.	31/03/2022	Credit Rescue	Corporate and Syndicated Commercial Loans	Approved	100%
3.	26/04/2022	Credit Rescue	Corporate and Syndicated Commercial Loans	Approved	100%
4.	26/04/2022	Credit Rescue	Corporate and Syndicated Commercial Loans	Approved	100%
5.	13/06/2022	Credit Rescue	Corporate and Syndicated Commercial Loans	Approved	100%
6.	23/06/2022	Credit Rescue	Corporate and Syndicated Commercial Loans	Approved	100%
7.	29/06/2022	Credit Rescue	Corporate and Syndicated Commercial Loans	Approved	100%
8.	16/08/2022	Credit Rescue	Retail Microcredit and Programs	Approved	100%
9.	16/08/2022	Credit Rescue	Retail Microcredit and Programs	Approved	100%
10.	20/09/2022	Credit Rescue	Retail Microcredit and Programs	Approved	100%

3. Credit Settlement Committee

No	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attedance
1	05/10/2022	Credit Settlement	Credit Rescue and Credit Settlement	Approved	100%

4. Loan and Financing Removal Committee

No	Committee Date	Agenda	Initiator Division	Committee Decision	Committee Attedance
1.	27/04/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
2.	31/05/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
3.	30/06/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
4.	29/07/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
5.	31/08/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
6.	30/09/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
7.	31/10/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
8.	30/11/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%
9.	30/12/2022	Committee for Writing Off Loan and Financing	Loan Settlement Rescue Division	Approved	100%

5. Financing Implementation Committee

No.	Committee date	Agenda	Initiation Division	Committee results	Attendance
1.	06/04/2022	Financing Implementation Committee	Sharia Business Division	Approved	100%
2.	06/04/2022	Financing Implementation Committee	Sharia Business Division	Approved	100%
3.	26/04/2022	Financing Implementation Committee	Sharia Business Division	Approved	100%
4.	08/06/2022	Financing Implementation Committee	Sharia Business Division	Approved	100%
5.	15/06/2022	Financing Implementation Committee	Sharia Business Division	Approved	100%
6.	20/09/2022	Financing Implementation Committee	Sharia Business Division	Approved	100%
7.	03/11/2022	Financing Implementation Committee	Sharia Business Division	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



Position	Accorded by	Voting Rights Status
Permanent member	A. Board of Director 1. Director of Consumer, Retail & Sharia Business 2. Director of Finance 3. Director of IT & Operations 4. Director of Business Risk. B. Division: 1. Business Risk Division 2. Commercial, Corporate & Syndication Division 3. Consumer Credit Division 4. Microcredit, Retail & Performance Management Division 5. Strategic Planning & Performance Management Division 6. Treasury Division 7. Credit Rescue & Settlement Division	Have voting rights
Non-Permanent Member	A. Board of Director: Director of Compliance & Risk Management B. Division: 1. Compliance and Governance Division 2. Internal Audit Division 3. Legal Division 4. Human Capital Division 5. Corporate Risk Management Division	Have no voting rights

DUTIES, AUTHORITY, AND RESPONSIBILITIES OF CREDIT POLICY COMMITTEE

1. 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;
2. 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;
3. 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;
4. Monitor and evaluate the development and quality of the overall credit or financing portfolio;
5. Monitor and evaluate the correctness of the implementation of the authority to decide on credit or financing;
6. 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;
7. Monitor and evaluate the correctness of the implementation of the LLL provisions;
8. Monitor and evaluate compliance with the provisions of laws and regulations and other regulations in the implementation of lending or financing;
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.
13. 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. Monitoring and evaluation results as referred to in the Credit Policy Committee Duties and Authorities points 4 – 10
14. 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 DUTIES OF THE CREDIT POLICY COMMITTEE

No	Committee date	Agenda	Initiator Division	Committee Decision	Committee Attendance
1	28/12/2022	Changes in Product Policy and Loan Or Financing Activities	TIM KPA - PAP	Approved	100%

Product, Network, and Procedure Committee

PRODUCT, NETWORK, AND PROCEDURE COMMITTEE FOR PRODUCTS

The PJP Committee for Products was formed in order 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

Jabatan	Diisi Oleh	Status Hak Suara
Chairman	Corporate and Syndicated Commercial Director	Have voting rights
Chairman	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

The duties, authorities and responsibilities of the PJP Committee for Products include:

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. Discuss and solve strategic business problems.
5. Carry out their duties, especially concerning product/activity development, in a professional, optimal, accurate, safe, and competitive manner.

6. 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**

No	PJP Product Sector	Agenda	Initiator Division	Number of Agenda	Committee results	Attendance
1.	February 21, 2022	Termination of Distribution of Laguna Micro Credit & Si Umi Credit	Retail and Program Micro Credit Division	1	Approved by the Product Sector PJP Forum	100%
2.	June 20, 2022	Proposed Standard Operating Procedures for Santri Savings	SEVP Sharia Business Unit	1	Approved by the Product Sector PJP Forum	80%

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.
- Establish and decide on a customized network development policy and strategy.
- Deciding on the type and number of networks included in the Bank's Business Plan.
- Decide on changes in status/closure of office networks after evaluation by the related unit.
- Determine the amount of investment and the budget for opening, changing status and/or closing the network.
- Determine the boundaries of the division of areas and organizational structure on the network.
- Decide on the results of network performance optimization;
- Decide the class of branches and sub-branches of the network classification results.
- Determine the classification system and final mapping results
- Responsible for the implementation of the network development strategy.
- Accountable for optimizing network performance.
- 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 Network Sector	Agenda	Initiator Division	Number of Agenda	PJP Results in the Network Sector	Attendance (%)
1.	March 22, 2022	Network Opening and Relocation	Strategic Planning and Performance Management Division	30	Approval of the proposed opening and relocation of the network with a note that the costs do not exceed the existing provisions	100%
2.	May 25, 2022 (Part 1)	KF status upgrade to KCP Type C	Strategic Planning and Performance Management Division	17	Approval of the proposed increase in status for 1 (one) network	100%
3.	June 3, 2022 (Part 2)	KF status upgrade to KCP Type C	Strategic Planning and Performance Management Division	16	Approval of the proposed increase in status for 2 (two) network	100%
4.	November 7, 2022	Network Opening and Relocation	Strategic Planning and Performance Management Division	22	Approval of the proposed opening and relocation while taking into account business potential and disaster risk mitigation	100%
5.	December 30, 2022	Network Relocation	Strategic Planning and Performance Management Division	8	Approval of the proposed relocation of KCP, KF, CRM and ATM networks	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.

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 PRODUCT, NETWORK AND PROCEDURE COMMITTEE FIELD OF PROCEDURE

Duties and Authorities of the PJP Committee for Procedures include:

1. Discuss, evaluate and recommend the publication or update of the Bank's Policy and Procedure Book so that the Implementation Guidelines (BPP) can be used as a company work guideline;
2. Determine the issuance or update of the Bank's Policy and Procedure Book that is used as a company work guideline.
3. Carry out their duties, especially concerning the issuance or updating of Bank policies and procedures;;
4. 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 FIELD OF PROCEDURES

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 FIELD OF PROCEDURES

No	PJP Committee	Agenda	Initiator Division	Number of Agenda	Results of PJP Procedures Field	Attendance
1.	January 7, 2022	<ul style="list-style-type: none"> • Antivirus Management SOP • Monitoring Server SOPs • Bandwidth Monitoring SOPs 	Information Technology Division	3	Approved by the PJP Forum in the Field of Procedures	100%
2.	January 24, 2022	Changes to Service Standard SOPs	Operations Division	1	Approved by the PJP Forum in the Field of Procedures	100%
3.	February 14, 2022	<ul style="list-style-type: none"> • SOP for Prevention of ML & TF at Banks • SOP for the Eradication of ML & TF at Banks 	<ul style="list-style-type: none"> • Compliance & Governance Division 	2	Approved by the PJP Forum in the Field of Procedures	75%
4.	March 1, 2022	<ul style="list-style-type: none"> • Internet Access SOPs • Remote Access SOPs • SOP for Intranet Access • Wireless Access SOPs • Patch Management SOPs • SOP for Power User Management • BI-Fast Payment SOP 	<ul style="list-style-type: none"> • Information Technology Division • Operations Division 	7	Approved by the PJP Forum in the Field of Procedures	80%

No	PJP Committee	Agenda	Initiator Division	Number of Agenda	Results of PJP Procedures Field	Attendance
5.	June 3, 2022	<ul style="list-style-type: none"> Local Government Loan SOP Smart Practice SOP 	<ul style="list-style-type: none"> Commercial, Corporate and Syndicated Credit Division Funds & Services Division 	2	Approved by the PJP Forum in the Field of Procedures	100%
6.	June 9, 2022	<ul style="list-style-type: none"> Changes in SOP for People's Business Loan Changes to Multipurpose Loan SOP Changes in SOP for Motor Vehicle Loans (KKB) Changes in Subsidized KPR BPP (Subsidized KPR SOP) Changes in Employee Loan SOP Changes to CCC Loan SOP Changes in Property Loan SOP (Regular KPR) 	<ul style="list-style-type: none"> Micro Credit, Retail and Programs Division Consumer Credit Division 	7	Changes to Employee Credit SOP have not been approved. For the other 6 (six) agendas approved	100%
7.	June 30, 2022	<ul style="list-style-type: none"> SOP for Loan or Financing Service Providers Credit or Financing Administration SOP SOP for Guaranteed Credit or Financing Call Center Service SOPs 	<ul style="list-style-type: none"> Operations Division 	4	Approved by the PJP Forum in the Field of Procedures	100%
8.	July 22, 2022	<ul style="list-style-type: none"> SOP for Commercial & Corporate Loan Process Receivable Loan SOP BLUD Loan SOP 	<ul style="list-style-type: none"> Commercial, Corporate and Syndicated Credit Division 	3	Approved by the PJP Forum in the Field of Procedures	100%
9.	August 1, 2022	<ul style="list-style-type: none"> Cyber Security & Resilience SOPs SOP for Application Security Test, System & Bank Network SOP Classification of Separation & Restrictions SOP Open Online Account Changes in Stimulus SOP for Debtors Affected by COVID-19 	<ul style="list-style-type: none"> Information Technology Division Rescue Division & Penyelesaian Kredit 	5	Approved by the PJP Forum in the Field of Procedures	100%
10.	September 21, 2022	<ul style="list-style-type: none"> SOP for Micro and Retail Loan Programs Warehouse Receipt Loan SOP SOP for iB Barokah Gold Metal Ownership Financing SOP for iB Barokah Gold Financing SOP of the iB Barokah Savings Plan 	<ul style="list-style-type: none"> Micro Credit, Retail & Programs Division SEVP Sharia Business Unit 	5	Approved by the PJP Forum in the Field of Procedures	100%
11.	October 7, 2022	<ul style="list-style-type: none"> Katepay Virtual Account Development SOP SOP for Development of Futures Cycle Savings Contractor Loan SOP 	<ul style="list-style-type: none"> Funds & Services Division Commercial, Corporate and Syndicated Credit Division 	3	Approved by the PJP Forum in the Field of Procedures	100%
12.	October 14, 2022	<ul style="list-style-type: none"> SOP for Loan or Financing Service Providers Credit or Financing Administration SOP SOP for Guaranteed Credit or Financing Call Center Service SOPs 	<ul style="list-style-type: none"> Micro Credit, Retail and Programs Division Treasury Division 	3	Approved by the PJP Forum in the Field of Procedures	100%
13.	October 18, 2022	<ul style="list-style-type: none"> SOP for Internal Audit Activities 	<ul style="list-style-type: none"> Internal Audit Division 	1	Approved by the PJP Forum in the Field of Procedures	100%
14.	November 25, 2022	<ul style="list-style-type: none"> SOP for iB Barokah Savings iB Barokah Deposit SOP SOP of Giro iB Barokah 	<ul style="list-style-type: none"> SEVP Sharia Business Unit 	3	The material for the SOP for iB Barokah Savings had not been approved by the PJP Bid Forum. Procedure and to be rescheduled, while the SOP material for iB Barokah Deposits and SOP for iB Barokah Giro had been approved by the PJP Bid Forum. Procedure	100%



Implementation of Governance In Provision of Remuneration for Commercial Banks In Accordance With POJK 45/POJK.03/2015

Basis of Remuneration Determination

The basis for the preparation of the determination of remuneration, namely:

1. Law Number 40 of 2007 dated August 16, 2007 concerning Limited Liability Companies;
2. Financial Services Authority Regulation (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. Circular of the Financial Services Authority Number 40/SEOJK.03/2016 dated September 26, 2016 concerning Implementation of Governance in Providing Remuneration for Commercial Banks;
5. Bank Jatim Articles of Association.

Based on the application of the Financial Services Authority Regulation POJK Number 45/POJK.03/2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks, Bank Jatim implemented governance in the provision of remuneration which considered several aspects including bank ability and appropriateness, competitive, fair and based on risk could be accounted for and in accordance with the prevailing laws and regulations. The Company might postpone the provision of deferred variable remuneration (malus) or withdraw the variable remuneration that had been paid (clawback) to officials classified as Material Risk Taker (MRT), with the following conditions:

1. The Company may postpone the payment of deferred variable Remuneration (malus) to Material Risk Taker under certain conditions, namely:
 - The Bank experience bankruptcy.
Namely a condition in which the Bank's balance sheet (Profit and Loss Statement) experiences a loss (negative profit).
 - There was a fraud committed by Material Risk Takers that caused losses to the Bank.
It is a condition where the MRT has been proven to have committed fraud through a decision that has permanent legal force (inkracht van gewijsde).
2. Variable remuneration must be deferred at a certain percentage determined by the Company.
3. The Malus implementation procedure is carried out by suspending or canceling the remuneration that is still suspended if certain conditions occur according to point 1 above.

Remuneration and Nomination Committee

The Board of Commissioners formed a Remuneration and Nomination Committee which aimed to assist in carrying out its functions and duties in areas related to the remuneration and nomination of members of the Board of Directors and the Board

of Commissioners. The remuneration and nomination committee had duties and responsibilities, including:

1. Regarding the mandatory remuneration policy:
 - a. Evaluating the remuneration policy based on performance, risk, fairness and peer group, long-term goals and strategies of the Bank, fulfillment of reserves as stipulated in legislation and potential future bank earnings;
 - b. Delivering evaluation results and recommendations to the Board of Commissioners regarding the remuneration policy for the Board of Directors and the Board of Commissioners to be submitted to the GMS.
 - c. Delivering evaluation results and recommendations to the Board of Commissioners regarding the overall remuneration policy for employees to be submitted to the Board of Directors;
 - d. Ensuring that the remuneration policy is in accordance with applicable regulations;
 - e. Conducting periodic evaluations of the implementation of the remuneration policy.
2. Regarding the mandatory nomination policy:
 - a. Preparing and providing recommendations regarding the system and procedure for selecting and / or replacing members of the Board of Directors and members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS;
 - b. Providing recommendations regarding candidate members of the Board of Directors and / or candidates for members of the Board of Commissioners to the Board of Commissioners to be submitted to the GMS;
 - c. Providing recommendations regarding Independent Parties who would become members of the audit committee to the Board of Commissioners in accordance with applicable regulations.

Scope of Remuneration Policy and its Implementation

In 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.

Bank Jatim sets the remuneration into 2 (two), namely:

1. Permanent Remuneration

- Remuneration policies that are permanent in nature at least pay attention to:

- Business scale, complexity, peer group, inflation, financial conditions, capabilities, applicable laws, and regulations. The fixed remuneration consists of an honorarium, housing allowance, holiday allowance, leave allowance, and other benefits determined by the Bank, as the remuneration provided is unrelated to performance.

2. Variable remuneration consists of

Variable remuneration consists of bonuses 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, *tantiem* and other forms of remuneration that can be equated with that.



Number of Directors, Board of Commissioners and Employees That Receive Variable Remuneration for 1 (one) Year

Position	Total
Board of Commissioners	5 persons
Board of Directors	7 persons
Employees	4,373 persons

Position and Number of Parties That are Material Risk Takers

Position	Total
Board of Commissioners	5 persons
Board of Directors	7 persons

Shares Options Owned by Directors, Board of Commissioners, and Executive Officers

A description of the Shares Options Owned by the Board of Directors, Board of Commissioners and Executive Officers is explained in the Performance-Based Long-Term Compensation Policy section of the Corporate Governance Chapter in this Annual Report.

Highest and Lowest Salary Ratio

Description	Ratio
President Commissioner's Salary with Other Commissioners	1.11 : 1
President Director's Salary with other Directors	1.11:1
President Director's Salary with the highest Employee Salary	2.61 : 1
Director Salary with the Highest Employee Salary	2.35 : 1
Highest Employee Salary with Lowest Employee	8.20 : 1

Number of Recipients and Total Amount of Variable Remuneration Guaranteed Without Condition

Position	Total	Amount (in millions of Rupiah)
Board of Commissioners	5 persons	269,100,000,-
Board of Directors	7 persons	598,000,000,-

Number of Recipients and Total Amount of Variable Remuneration Guaranteed Without Condition

Information	Number of Employees	Severance (in millions of Rupiah)
Dismissed	39	171,036,641
Passed away	6	2,376,911,297
Pension	74	39,023,415,431
Grand Total	119	41,571,363,370

Total Amount of Delayed Variable Remuneration

Position	Total	Amounts
Board of Commissioners	5 persons	452,954,393.99
Board of Directors	7 persons	1,161,734,988.16

Total Amount of Delayed Variable Remuneration Paid For 1 (one) Year

Position	Total	Amounts
Board of Directors	6 persons	948,901,978.49

Total Remuneration Provided in One Year

Position	Total	Amounts
Board of Commissioners	6 persons	8,114,196,627.35
Board of Directors	5 persons	17,872,038,485.23

Quantitative Information

Types of Variable Remuneration*)	Remaining Pending	Total Deductions During the Reporting Period		
		Caused Explicit Adjustment (A)	Caused Implicit Adjustment (B)	Total (A)+(B)
Cash (in million rupiah)	1,542,863,612.63	-	-	-
Shares/share-based instruments issued by the Bank (in shares and a nominal value of millions of rupiah which is the conversion of the said shares)	1,554,844,246.23	-	-	-
Total	3,097,707,858.87	-	-	-

Remarks: *) Only for MRT

Public Accountant

External Audit Function

Based on the Financial Services Authority Regulation No. 32/POJK.03/2016 concerning Amendments to Financial Services Regulation No. 6/POJK.03/2015 concerning Transparency and Publication of Bank Reports, an audit of the Bank Jatim Financial Statements for the 2020 financial year has been carried out by an independent, competent, professional, and objective public accountant following the Public Accountant Professional Standards, as well as work agreements and scope established audits.

For the audit process to follow the Professional Standards for Accountants and work agreements and the audit scope that has been determined and completed according to a predetermined time target, meetings are routinely held to discuss several significant essential issues. Bank Jatim is always trying to improve communication between Public Accountants, the Audit Committee, and the management of Bank Jatim to minimize problems during the audit process.

The appointment of a Public Accounting Firm and audit fees follow POJK No.13/POJK.03/2017 and SEOJK No. 36/SEOJK.03/2017 and the resolutions of the Annual GMS. Public Accounting Firm and Public Accountant (partner in charge) registered with the Financial Services Authority.

Appointment of Public Accountant

The audit of Bank Jatim's financial statements ending December 31, 2022 was carried out based on the Cooperation Agreement First Party Number 061/221/DIR/PKU/PKS and Second Party Number E082X/ADH/2022 dated October 14, 2022 to PUBLIC ACCOUNTING OFFICE (KAP) PAUL HADIWINATA, HIDAJAT, ARSONO, RETNO, PALILINGAN & PARTNERS with an audit fee of IDR1,121,100,000 (One Billion One Hundred Twenty One Million One Hundred Thousand Rupiah) including VAT.

Services of the Public Accounting Firm to Banks include:

- inspection schedule including interim inspection schedule;
- The Independent Auditor's Report on the Financial Statements for the period ending December 31, 2022 with comparative figures for the period ending December 31, 2021 in the form of:
 - Financial Report;
 - Statement of Profit and Loss and Other Comprehensive Income;
 - Statement of Changes in Equity;
 - Cash flow statement;
 - Publication Reports;
 - Notes to the Financial Statements, including information regarding commitments and contingencies;
 - Other reports according to:



1. 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.
2. Decree of the Board of Directors of the Jakarta Stock Exchange Number: Kep-306/BEJ/07-2004 concerning regulation Number I-E concerning Obligations for Submitting Information.

In 2 (two) versions consisting of Indonesian and English (Bilingual) 1 (one) original and 50 (fifty) hardcopies including softcopies.

- c. Report Management Letter (ML) in Indonesian in 10 (ten) copies including the softcopy.

- d. 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.
- f. The results of the inspection are in the form of documents specified in the scope of the Public Accountant Services Work for Examining the Financial Statements of PT Bank Pembangunan Daerah Jawa Timur, Tbk which ends on December 31, 2022, including the Sharia Business Unit along with working papers including other documents related to the audit, which belong to the PT East Lawa Regional Development Bank, Tbk.

Public Accounting Firm Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners have communicated with the Financial Services Authority (OJK) for discussions regarding the scope of the audit of the Bank Jatim Financial Statements which ended on December 31, 2022.

Kantor Akuntan Publik, Nama Akuntan dan Fee Jasa Audit

Table of Public Accounting Firms, Accountant Names and Audit Service Fees.

Year	Public Accounting Firm	PAF period	Name of Accountant (Partner in Charge)	AP Period	Audit Service Fee (Million Rupiah)
2022	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	Periode ke 1	Ary Daniel H	Periode ke 1	1,121.1
2021	Kanaka Puradiredja, Suhartono	1st period	Florus Daeli	1st period	1,300
2020	Amir Abadi Jusuf, Aryanto, Mawar & Partners (RSM Indonesia)	1st period	Bimo Iman Santoso	1st period	1,485
2019	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	3rd period	Gideon	2nd period	960
2018	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	2nd period	Gideon	1st period	940
2017	Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Partners	1st period	Ary Daniel H	1st period	570
2016	Hendrawinata Eddy Siddharta & Tanzil	2nd period	Rita Susilowati	2nd period	840
2015	Hendrawinata Eddy Siddharta & Tanzil	1st period	Rita Susilowati	1st period	900
2014	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

Other Services Provided by Accountants

During 2022, there are no other services provided by accountants.

Internal Control System

In order to create and improve the quality of risk management implementation that supported the effectiveness of a riskbased Bank supervision framework, Bank Jatim was required to have

an Internal Control System (SPI) that was reliable and effective in managing its risk which was determined by the Bank's management on an ongoing basis, in order to:

1. Safeguard and secure the assets of the Bank.
2. Ensure the availability of more accurate reports.
3. Increase compliance with applicable regulations.
4. Reduce the financial impact or the impact of losses, irregularities including fraud and violations of prudential aspects.
5. Increase organizational effectiveness and increase cost efficiency.

The Internal Control System (SPI) is a monitoring mechanism established by the management of Bank Jatim on an ongoing basis. An effective SPI is an essential component in management and forms the basis for sound and safe Bank operational activities. Implementing an effective internal control system can assist Bank management in safeguarding Bank assets, increasing Bank compliance with applicable laws and regulations, and reducing the occurrence of losses, deviations, and violations of prudential aspects.

Implementing a reliable and effective internal control system for the Bank is the responsibility of all risk-taker units, support units, and the Internal Audit Division. The internal control system for risk refers to the overall internal control system, which includes:

1. The Bank implements an effective internal control system in implementing Risk Management regarding established policies and procedures. Applying the principle of segregation of functions (four eyes) is sufficient, and the principle is implemented consistently.
2. Comprehensive internal control system in the implementation of Risk Management
3. Implementation of a review of the implementation of Risk Management
4. The results of the review assessment by the Company's Risk Management Division are submitted to the Board of Commissioners, Internal Audit Division, Compliance and Risk Management Director, Audit Committee, and other relevant Directors as input in order to improve the Risk Management framework.
5. Improvements to the findings of internal and external audits monitored by the Internal Audit Division. The Internal Audit Division informs audit findings that have yet to be followed up to the Board of Directors to take the necessary steps.
6. The level of responsiveness to weaknesses and/or deviations that occur against the applicable internal and external regulations.

Purpose

1. Compliance with statutory provisions and regulations or compliance objectives.
2. The objective of compliance was to ensure that all of the Bank's business activities were carried out in accordance with the laws and regulations, both those issued by the government, FSA, Bank Indonesia as well as internal policies, regulations and procedures stipulated by the Bank.
3. The availability of financial and management information that was complete, accurate, appropriate, and timely or information purposes.
4. The purpose of information was intended to ensure the availability of complete, accurate, efficient, and timely reports required in order to make appropriate and accountable decisions.
5. Effectiveness and efficiency in the Bank's business activities or operational objectives.
6. Operational objectives were intended to increase the effectiveness and efficiency of the use of assets and other resources in order to protect the Bank from the risk of loss.

7. Increasing the effectiveness of the risk culture in the Bank's organization as a whole or the objectives of the risk culture.
8. The objective of risk culture was intended to identify weaknesses and assess deviations early as well as to continuously assess the reasonableness of existing policies and procedures in the Bank.

Environment of Control

The control environment provided direction for the organization and affected the controlling awareness of the people within the organization. Factors that influenced the control environment were integrity and ethical values, commitment to competence, the Board of Directors and the Audit Committee, management style and operating style, organizational structure, granting of authority and responsibility, HR practices and policies.

The adequacy of the Bank's internal control was assessed based on the controls inherent in activities in accordance with the policies, systems and procedures implemented including activity control, physical control, compliance and limit provisions, reconciliation procedures, separation of functions and other elements of control.

Risk Assessment

Measurement of Risk was the identification of entities and analysis of relevant risks to achieve their goals forming a basis for discovering how risks should be managed. Bank Risk Assessment became a series of activities to identify, measure, monitor and control risks. Risk Assessment was carried out on all types of risks inherent in the Bank's processes / activities.

Bank-wide risk assessment was carried out by the risk management unit (SKMR) on a quarterly basis as outlined in the Bank's risk profile report. The assessment covered all risks faced by the Bank which included credit risk, market risk, liquidity risk, operational risk, legal risk, reputation risk, strategic risk and compliance risk.

Control Activities - Financial and Operational Control

Controls were classified as policies and procedures related to performance reviews, information processing, physical controls, and segregation of duties.

Reviewing the performance of Branches and Supporting Branches compared to predetermined targets is routinely carried out every 4 (four) months by the Board of Directors, which was carried out on October 26, 2022 (Review Cawu III 2022). This will encourage control activities at Branches and Sub-Branch Offices, especially regarding control of performance targets for Third Party Funds, Loans, Liquidity Ratios, Earning Assets Quality, Earnings, Effectiveness, and Efficiency. However, in the event of a decline or failure to achieve operational performance, the Board of Directors coordinates the areas that cause the decline in performance by making action plans for future improvements and intensive monitoring.



The Internal Audit Division also conducts an examination of the organizational structure at Branch Offices, Sub-Branch Offices, and Cash Offices based on sampling, which includes vacancies, segregation of duties, concurrent positions, and competence of officers in carrying out operational activities during the General Audit.

Information System Control through TSI examination with the scope of Information Technology (IT) Audit covering Management & Governance; Development & Operations Process and Security Management.

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
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 provide direction on the results of the audit report on the Adequacy of the Internal Control System that has been carried out by the Internal Audit Division by holding regular coordination meetings regarding issues that are obstacles in the Bank's operations and achievement of bank performance including discussions regarding the findings of Internal Audit within a certain period. The Board of Commissioners and Board of Directors consider that the internal control system has been effective and adequate.

Risk Management

Risk Management is a controlling risk activity through the process of identifying, measuring, evaluating and monitoring to a portfolio in estimating potential losses that might occur. Thus, the application of risk management was expected that the risks that had the potential to occur could be mitigated and minimized.

Risk Management Framework

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

Risk Management System

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

Active Supervision of The Board of Commissioners and Directors

The Board of Commissioners and Directors grant the approval as well as evaluate the risk policies and strategies actively and periodically. Conducted by the Board of Commissioners, the establishment of policies and strategies functions as a reference for the Board of Directors to conduct out the Company's objective and that has estimated risk tolerance and its impact on capital, informing and communicating the risk policies and strategies and evaluating its implementation to all related work units.

The duties, responsibilities and authorities of the Board of Commissioners related to active supervision in Risk Management activities include, among others:

1. Ensuring that the implementation of Risk Management was adequate in accordance with the characteristics, complexity and risk profile of the Bank.

2. Having a good understanding of the types and levels of risk inherent in the Bank's business activities.
3. Approving the Risk Management policy including the Risk Management strategy and framework that was determined in accordance with the Bank's risk appetite and risk tolerance.
4. Evaluating Risk Management policies and Risk Management Strategies at least 1 (once) a year or more frequently when things occurred that could significantly affect the Bank's business activities.
5. Evaluating the accountability of the Board of Directors and provide direction for improvement on the implementation of Risk Management policies on a regular basis to ensure that the Board of Directors manages the Bank's activities and risks effectively.

The duties, responsibilities and authorities of the Board of Directors related to Risk Management activities include:

1. Ensuring that the implementation of Risk Management was adequate in accordance with the characteristics, complexity and risk profile of the Bank.
2. Having a good understanding of the types and levels of risk inherent in the Bank's business activities.
3. Formulating and establishing a written and comprehensive Risk Management policy, strategy and framework including determination of risk limits as a whole and per risk type, considering the risk appetite and risk tolerance in accordance with the condition of the Bank and considering the impact of risk on capital adequacy to seek approval from Board of Commissioners.
4. Formulating, determining, and periodically updating procedures and tools to identify, measure, monitor and control risks.
5. Evaluating and/or updating policies, strategies, and Risk Management framework at least 1 (once) a year, or when there were significant changes in factors affecting the Bank's business activities, risk exposure, and/or risk profile.
6. Establishing an organizational structure including clear authorities and responsibilities at each level of position related to the implementation of Risk Management.
7. Being responsible for implementing policies, strategies and Risk Management framework approved by the Board of Commissioners and evaluating and providing direction based on reports submitted by the Company's Risk Management Division including reports on risk profiles.
8. Ensuring that all material risks and impacts arising from these risks had been followed up and submit an accountability report to the Board of Commissioners periodically containing progress reports and material risk issues accompanied by corrective steps that had been, were being, and would be carried out.
9. Ensuring the implementation of follow-up corrections for problems or irregularities in the Bank's business activities discovered by the Internal Audit Division.
10. Developing a Risk Management culture including risk awareness at all levels of the organization, including adequate communication to all levels of the organization regarding the importance of effective internal control as evidenced in:
 - a. Minutes document attached with attendance list of meeting participants, if communicated through the meeting forum;
 - b. Paper documents/handouts or other materials if communicated through education and training forums, accompanied by a list of attendees.

11. Ensuring adequate financial support and infrastructure to manage and control risks.
12. Ensuring that the Risk Management function had been implemented independently by means of a separation of functions (four eyes principle) between the Company's Risk Management Division which identified, measured, monitored and controlled risks with the Internal Audit Division and the risk taker unit.

Adequacy of Policies and Procedures and Risk Limit Determination

Bank Jatim already had a Risk Management Policy which served as the main guideline in implementing risk management. For more specific business areas, Bank Jatim had more specific policies and procedures, for example in the fields of credit, treasury, and operations. These policies and procedures regulated the determination of limits for each activity, both at the portfolio and transactional levels. The determination of these limits consisted of overall limits (exposure limits), individual limits, counterparty limits, limits per type of risk and limits per certain functional activity with risk exposure.

Adequacy of Risk Identification, Measurement, Monitoring and Control Process as Well as Risk Management Information Systems

Bank Jatim run the Identification, Measurement, Monitoring and Risk Control Process, as well as a Risk Management System through an Enterprise Risk Management (ERM) framework. Risk control policy guidelines provided an adequate reference for the identification and measurement process of risk. In measuring the risk profile of each Bank activity, at the initial stage the Bank identified risks by recognizing and understanding all inherent risks. After the risk identification was carried out, the measurement and risk monitoring was then carried out. This risk measurement was intended so that the Bank was able to calculate the risk exposure inherent in each activity so that the impact on the Bank's performance could be estimated.

Periodically evaluating risk exposures, especially those that were material in nature and or that had an impact on the Bank's performance. The results of monitoring, which included evaluation of risk exposures, were reported in a timely, accurate and informative manner which would be used to make decisions, including the necessary follow-up actions to monitor risks.

1. Risk Identification

Proactive risk identification covered all business activities of the Bank and was carried out in order to analyze the sources and likelihood of risks and their impacts. Risk identification was carried out periodically by using a method or system to identify risks in all products and business activities of the Bank.

The risk identification process was carried out by analyzing all risk sources that were at least carried out on the risks from the Bank's products and activities and ensuring that the risks from new products and activities had gone through a proper Risk Management process before being introduced or implemented.

2. Risk Measurement

- a. The risk measurement system was used to measure the Bank's risk exposure as a reference for exercising control. Risk measurement was carried out regularly for both products and portfolios as well as for all Bank business activities.
- b. The risk measurement system can measure:
 - The sensitivity of the product / activity to changes in the factors that influence it, both under normal and abnormal conditions.
 - The trend of changes in these factors is based on past fluctuations and their correlation.
 - Individual risk factors.
 - Overall risk exposure as well as per Risk, taking into account the relationship between Risks.
 - All risks inherent in all transactions and Bank products, including new products and activities, and can be integrated into the Bank's management information system.
- c. The risk measurement method was carried out quantitatively and/or qualitatively according to the characteristics and complexity of business activities. The measurement methods were in the form of methods stipulated by the Financial Services Authority in the framework of risk assessment and capital calculation as well as methods that were developed by the Bank itself.
- d. The Risk measurement system was evaluated and refined periodically or from time to time as necessary to ensure the suitability of assumptions, accuracy, fairness and data integrity, as well as the procedures used to measure Risk.
- e. Stress tests were carried out to complement the risk measurement system by estimating the Bank's potential losses in abnormal market conditions using certain scenarios in order to see the sensitivity of the Bank's performance to changes in risk factors and to identify influences that had a significant impact on the Bank's portfolio.
- f. The Bank performed stress testing periodically and reviews the stress testing results and takes appropriate steps if the predicted conditions that would occur exceed an acceptable tolerance level. The results were used as input when setting or changing policies and limits.

3. Risk Monitoring

- a. The Bank had a monitoring system and procedure which included monitoring the amount of risk exposure, risk tolerance, internal limit compliance, and the results of stress testing as well as the consistency of implementation with established policies and procedures.
- b. Monitoring was carried out both by the risk taker unit and by the Company's Risk Management Division.



- c. Monitoring results were presented in periodic reports submitted to Management in the context of risk mitigation and the necessary actions.
- d. The Bank prepared an effective back-up system and procedures to prevent disruptions in the risk monitoring process, and conducts regular checks and reassessments of the back-up system.

4. Risk Control

- a. The Bank had an adequate risk control system by referring to the established policies and procedures.
- b. The risk control process implemented by the Bank was adjusted to the risk exposure as well as the level of risk to be taken and risk tolerance. Risk control was carried out by the Bank, among others by means of hedging mechanisms, and other risk mitigation methods such as issuing guarantees, asset securitization and credit derivatives, as well as increasing Bank capital to absorb potential losses.

5. Risk Management System

- a. The Risk Management System is part of the management information system owned and developed by the needs of the Bank to implement effective risk management.
- b. As part of the risk management process, a risk management system is used to support the implementation of risk identification, measurement, monitoring, and control processes.
- c. The Risk Management System and the resulting information are adapted to the characteristics and complexity of the Bank's business activities and are adaptive to changes.
- d. The adequacy of the scope of information generated from the risk management system is reviewed periodically to ensure that the coverage is adequate by developments in the level of complexity of business activities.
- e. As part of the risk management system, risk profile reports are prepared periodically by the risk management division, independent of the work units conducting business activities. The frequency of submitting reports to the relevant Directors and the Risk Management Committee is increased as needed, significantly when market conditions change rapidly.
- f. The Risk Management System supports reporting to the Financial Services Authority.
- g. In developing new information system technology and software, the Bank ensures that implementing the new information system and technology will maintain the continuity of the Bank's information system.
- h. If the Bank decides to outsource workers in software development and system improvement, the Bank ensures that the decision to appoint a third party is carried out objectively and independently. The outsourcing agreement/contract includes clauses regarding maintenance and updating as well as anticipatory steps to prevent disruptions that may occur in its operations.

- i. Prior to implementing the new management information system, the Bank conducts tests to ensure that the processes and resulting outputs have gone through an effective and accurate development, testing, and reassessment process, and the Bank ensures that the system can access historical accounting and management data/ the new software is acceptable.
- j. The Bank administers and updates system documentation, which includes hardware, software, database (database), parameters, process stages, assumptions used, data sources, and resulting outputs to facilitate inherent control and implementation of audit trails.

Internal Controlling System

The Internal Control System (SPI) became a supervisory mechanism established by the management of Bank Jatim on an ongoing basis. Effective SPI was an important component in management and forms the basis for sound and safe operational activities of the Bank. The effective implementation of the internal control system could assist the Bank's management in safeguarding the Bank's assets, improving the Bank's compliance with the prevailing laws and regulations, and reducing the occurrence of losses, deviations and violations of prudential aspects.

The implementation of a reliable and effective internal control system of the Bank was the responsibility of all risk taker units, support units, and the Internal Audit Division. The internal control system for risk refers to the overall internal control system which included:

1. The Bank implemented the internal control system effectively in the application of Risk Management by referring to the established policies and procedures. The application of the four eyes principle had been adequate and consistently implemented.
2. Comprehensive internal control system in the application of Risk Management
3. Implementation of a review of the implementation of Risk Management.
4. The results of the review assessment by the Company's Risk Management Division were submitted to the Board of Commissioners, Internal Audit Division, Compliance and Risk Management Director, Audit Committee, and other relevant Directors as input in improving the Risk Management framework.
5. to the results of internal and external audit findings monitored by the Internal Audit Division. The audit findings that have not been followed up are informed by the Internal Audit Division to the Board of Directors to take the necessary steps.
6. The level of responsiveness to weaknesses and / or deviations that occurred against applicable internal and external regulations.

Risk Profile and Management

The risks inherent in the Bank Jatim Business aligned with the provisions of the Financial Services Authority stipulated eight risks

includes Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. A better description of each risk as follows.

Credit Risk

Based on OJK Regulation Number 18/POJK.03/2016, credit risk is defined as the risk that occurs due to the failure of other parties to fulfill their obligations, including credit risk due to debtor failure, credit concentration risk, counterparty credit risk, and settlement risk. The management of credit risk at Bank Jatim until December 2022 has been optimally pursued, as reflected in the credit risk profile rating in December 2022, which was moderate. As for the quality of the implementation of credit risk management related to the active supervision of the Board of Commissioners and the Board of Directors, it has been running according to its function so that the general assessment of the quality of the implementation of credit risk management is fair so that the composite rating for credit risk is rating 3.

From a policy standpoint, Bank Jatim constantly reviews and updates the limits on the provision of funds following business and organizational developments. In the process of limiting the provision of funds following business and organizational developments. The Risk Management Division provides reviews and determines the level of risk in determining transaction facilities (Counterparty Limits), as well as regular monitoring of Risk Appetite and Credit Risk Limits. In terms of strengthening credit risk management, the bank has also established a Credit Risk unit/Division that concentrates explicitly on credit.

Potential Risks

Potential Risks to the Bank's lending activities may arise due to Human Resources in the credit sector having inadequate knowledge, inadequate internal credit processes, in-depth and inaccurate credit analysis, funding in high-risk sectors, credit concentration, and on placement activities. or buying securities from companies that are considered less bona fide, causing default and causing bank losses due to having to establish CKPN, reducing profits due to write-off credits, costs arising from the credit settlement process (billing fees, legal process, auction process), and also resources that must be allocated for collection and restructuring of credit. In addition to losses on credit, it can also result from failure in the settlement process.

Credit Risk Mitigation

The invented mitigation effort towards credit risk potential losses is: Advancing the knowledge of Credit Analysts in the credit field aims to be more professional and master their duties, improving systems and procedures in the credit field, fostering and monitoring credit realization, more intensive collection efforts for 'The Special Case customers' to prevent collectability deterioration, increase the supervision credit function, implement the principle of Prudential Banking in credit expansion, supervise existing systems and procedures, as well as accurate and excellent Counterparty analyze.

Market Risk

Market risk is the risk on balance sheet positions and administrative accounts, including derivative transactions, due to overall changes in market conditions, including the risk of changes in option prices. Market risk management aims to minimize the possibility of negative impact due to changes in market conditions on the Bank's capital assets. By the regulations of the Financial Services Authority, Bank Jatim's market risk management, as reflected in the market risk profile assessment rating in December 2022, is Low to Moderate for inherent risk and Satisfactory for the quality of risk management implementation so that a composite rating is obtained, namely rating 2.

Potential Risks

Potential losses arising from market risk might occur on the following matters, such as the change of Bank interest rates impact on the Bank portfolio (Gap ratio Rate Sensitive Asset & Rate Sensitive Liability portfolio), fluctuating exchange rates changes arise for foreign currency leads Bank to suffer losses, changes in prices of the Bank's portfolio, changes in rating or obligor's financial performance means the bank's portfolio value decline (for securities or bonds), inefficient market conditions affected the accuracy of valuation in the financial transactions inducing current financial losses (both in the capital and stock market), as well as other losses associated with political deterioration.

Market Risk Mitigation

The undertaken mitigation efforts made against potential losses on market risk, among others are: the application of floating interest rates, monitor of Net Open Position aligned with regulatory provisions, an excellent and accurate counterparty analysis, counterparty ratings consideration, determinate and monitor of dealer limits, stop loss & cut loss, monitor over off Market transactions, good provision of historical and data of potential market, application of technical and fundamental analysis on transactions exposed to market risk, also the IRRBB Limit on Assets and Liabilities implementation sensitive to interest rates changes (Risk Sensitive Assets and Risk Sensitive Liabilities).

Liquidity Risk

Liquidity risk results from the Bank's inability to meet its maturing obligations from cash flow funding sources and/or high-quality liquid assets that can be pledged as collateral without disrupting the Bank's activities and financial condition. Bank Jatim's liquidity risk management, as reflected in the liquidity risk profile assessment in December 2022, is low to moderate for inherent risk and fair for the quality of risk management implementation so that a composite rating of 2 is obtained for liquidity risk.

Potential Risks

Potential losses arising from liquidity risk can occur on the following matters: a large-scale withdrawal in behavior outside work, a rush of external factors, funding for stagnant ThirdParty



Funds, installment under-performing payments credit debtors, unfavorable liquidity & maturity profile gap, which leads a tendency towards the provision of expensive, limited funds or reduced potential for credit expansion, or more broader impact of bank losses, arising from reputational risk.

Liquidity Risk Mitigation

The undertaken mitigation effort of potential losses on liquidity risk is to anticipate and monitor funds withdrawals that have been made by customers in withdrawals form through bank clearance and cash withdrawals through incoming funds both in incoming transfers and customer cash deposits (customer behavior). Bank Jatim has conducted liquidity banking sensitivity analyze to the largest ever withdrawal scenario, covers increasing access to funding sources, increasing and maintaining the stability of Third Party Funds. Bank Jatim has maintained primary and secondary reserves as well as arranged detailed cash flow projections in rupiah against interest rate fluctuations. On top of that, Bank Jatim has conducted a management gap to avoid or minimize interest rates fluctuations to actualize stable and growing profits. Bank Jatim also continue to increase the number of good counterparties and establish long-term positive relations, particularly in the liquidity provision field which develops various forms of Contingency Funding Plans constantly in both normal and crisis situations.

Operational Risk

Operational risk is defined as the arising losses risk due to insufficient and or non-functioning internal processes, human errors, system failures, and or the presence of external parties affect in the operation of Bank Jatim. Operational risk was inherent in every product / activity / bank operational process. In measuring operational risk, Bank Jatim calculated capital requirements for operational risk using a basic indicator approach. Operational risk is a crucial risk category, considering that the growing business model and products, banking services of Bank Jatim, become more complex and diverse in the future. To manage functional banking activities, products or services optimally, the effective operational risk management implementation has been carried out. Furthermore, the internal audit unit evaluates the risk management policies implementation and procedures in each of the operational banking activities.

The approach used in managing operational risk is through the determination of the most appropriate mitigation strategies to obtain an optimal balance between operational risk exposure, the effectiveness of the control mechanism and the level of risk that has been received by the Bank. Operational risk management was supported by the involvement of:

1. Risk Management Committee

The Board of Directors carried out the functions of supervision, control and risk management, including the establishment of risk management strategies, setting risk limits, business limits and operational limits and monitoring risk profiles.

2. Operational Risk Management Unit

Operational risk management work unit that was responsible for formulating policies and operational risk management work tools.

3. Risk Taking Unit

The work unit was fully responsible for managing operational risk and ensures that controls in each operational activity were carried out effectively and in accordance with regulations.

4. Compliance work unit

Work units that carried out compliance functions with internal and external regulations.

5. Internal Audit Unit

Work units that implemented the effectiveness of internal controls on Bank activities.

Until December 2022, Bank Jatim's operational risk management, as reflected in the operational risk profile assessment, is moderate for inherent risk and fair for the quality of risk management implementation so that a composite rating of 3 is obtained for operational risk.

Potential Risks

With the presence of operational risk exposures, other risk exposures can also increase including credit risk, market risk, liquidity risk, legal risk, liquidity risk, strategic risk, and reputation risk, which possibly result in potential financial and nonfinancial losses. Another impact of operational risk is Soundness Level Rating decline leads banks unable to conduct business activities and the expansion of new bank office and under the status of incentive supervision from regulators.

Operational Risk Mitigation

To mitigate operational risk, Bank Jatim establish Lost Event Database application which connected to all work units, so a work unit can input risk events that occur in no time using online platform through web-based media. As a follow-up step, the collective data will be analyzed and mitigated against the risk event. The Bank is also committed to improving the quality and process of internal control, the Human Resources qualification through various trainings, certifications and seminars, and banking services through infrastructure improvements required, while ensuring that Bank Jatim has adequate operational risk mitigation policies and procedures obligate to comply with and conduct out by every operational work unit with accomplished transactions and activities accurately, efficiently and on scheduled. The Bank also has Operational Risk Management Implementation procedures, Business Continuity Management (BCM) and carries out a Risk Assessment (RA) process to measure potential disruptions/ disasters that threaten the bank's sustainability so as to minimize the Bank's potential risks.

Legal Risk

The Bank carries out legal risk identification based on risk factors, including lawsuits and weaknesses in juridical aspects arising from any contracts and agreements related to products and services.

As of December 2022, Bank Jatim's legal risk management is reflected in the legal risk profile assessment, which has a low to the moderate rating for inherent risk and fair for the quality of risk management implementation so that a composite rating of 2 is obtained for legal risk.

Potential Risks

Potential risks from legal risk, namely the existence of lawsuits as a result of weaknesses in legal or juridical aspects or the absence of supporting laws and regulations, resulting in financial and non-financial losses such as:

- a. Expenditures for the incurring of compensation from the Customer.
- b. Imposition of fines/sanctions for the occurrence of lawsuits.
- c. Loss of Credit Guarantee.
- d. Claim Bank Guarantee
- e. Delayed Auction Guarantee (which can affect NPL).

Legal Risk Mitigation

By reviewing juridical studies on all possibly arising legal issues (between the guarantor and its parties) to minimize the demands, among others:

- a. Completeness of document fulfillment and Bank Guarantee requirements.
- b. Bank Guarantee realization procedure
- c. Related to the contract/agreement contained in the Bank Guarantee File.

Strategic Risk

Strategic Risk is the risk due to inaccuracy in making and/ or implementing a strategic decision and failure to anticipate changes in the business environment. Strategic risk identification is based on strategic risk factors in certain functional activities, such as credit, treasury and investment activities as well as operations and services through a business plan prepared by the Strategic Planning & Performance Management Division as a translation of the General Policy of Board of Directors.

Strategic risk measurement and measurement parameters are based on the Bank's performance by comparing the expected results with actual results, evaluating work unit performance, and checking progress against the set targets.

Strategic risk monitoring is carried out by conducting quarterly reviews for each division and quarterly reviews for each branch office. As of December 2022, Bank Jatim's strategic risk management, which is reflected in the strategic risk profile assessment, is rated low to moderate for inherent risk and satisfactory for the quality of risk management implementation so that a composite rating of 2 is obtained for strategic risk.

Potential Risks

Potential risks that may occur include:

1. There was an error in the decision-making/determination of the business strategy, causing the income earned to be not optimal to the costs incurred
2. Launching a new product without conducting a Feasibility Study to analyze the plan for implementing the new product to prevent potential failure so that product sales targets cannot be optimal.
3. The launch of a new product must have an in-principle permit, if it is not implemented, the product will not be able to run, so it will lose the opportunity to raise third-party funds.

Strategic Risk Mitigation

Prepare and determine Bank business strategy by conducting a comprehensive analysis of studies, risk control, and Feasibility Study which cover analysis of Cost and benefits. 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 2022, Bank Jatim's compliance risk management, as reflected in the compliance risk profile assessment, is rated low to moderate for inherent risk and fair for the quality of risk management implementation so that a composite rating of 2 is obtained for compliance risk.

**Potential Risks**

Bank non-compliance with regulatory regulations and other internal regulations of the Bank may be subject to administrative sanctions in the form of:

1. Written warning.
2. Sanctions for the obligation to pay fines.
3. Decrease rating of the Bank's soundness.
4. Prohibition of opening office networks.
5. Freezing of certain businesses.
6. The inclusion of management members, bank employees, and or shareholders in the list of parties was predicated of not passing the fit and proper test or in the administrative records as stipulated in the provisions of the Financial Services Authority.
7. Dismissal of Bank management.

Compliance Risk Mitigation

To minimize compliance risk, Bank Jatim evaluate compliance with internal and external provisions both from Bank Indonesia, the Financial Services Authority and other applicable regulations. Besides that, the bank also analyzes event which possibly inducing compliance risk by:

1. Provide new products and new internal regulations risk assessment before granted approval by the board of directors.
2. Perform compliance checklists for certain operational activities.
3. Review internal regulations.
4. Disseminate external regulations to the division and branch offices.

Reputation Risk

Reputation risk is a risk due facing the stakeholder trust gap originating from various activities including events that can bring harm the reputation of the Bank (e.g. negative report in the mass media, violations of business ethics and customer complaints) and other matters inducing reputational risks such as weakened corporate governance, corporate culture and business banking practices.

The transformation of Bank Jatim become into a public bank, successfully identifies factors inherent risk in an openness functional activities which include customer complaints about its services, employees behavior in serving customers and conducted communication systems by the Bank.

The reputation risk measurement for December 2022 has a Low to Moderate rating for the inherent risk. While efforts to implement reputation risk management itself have a satisfactory predicate by making efforts to improve the Bank's reputation so that a composite rating of 2 is obtained.

Efforts to control reputation risk carried out by Bank Jatim through the Corporate Secretary are responsible for implementing policies related to handling and resolving negative news or avoiding counter-productive information and carrying out public service functions in the framework of corporate social responsibility (Corporate Social Responsibility/CSR). Bank Jatim's Corporate Social Responsibility activities are carried out continuously and focus on 4 (four) aspects, including aspects of education and

banking education, culture, health, and social aspects, including repair of Uninhabitable Houses (RTLH). In addition, the Bank continuously improves the bank's internal policies related to customer complaints and customer service in order to minimize the potential for a decline in the Bank's reputation.

Potential Risks

Reputation risk is perceivable from several indicators including:

1. Violations of business ethics, the reporting quality of a Bank and customer complaints. The parameters of violation of business ethics come from various transparency of financial information criteria, human resources, marketing of products and services, business cooperation with other stakeholders that holds potential reputation risk suffer losses.
2. Addressing the driving force of Bank success is a competent human resource, means quality service to the customers involves qualified human resources. An unqualified human resource will bring potential reputation risk losses to the customer, therefore, customer service should align with the applicable provisions of Service Standardize.
3. The most crucial potential losses are negative reporting in the mass media where the customer already recognized it and poor customer service while handling complaints whose experience the problems at Bank Jatim.

Reputation Risk Mitigation

Always maintain the Bank credibility in front of shareholders and stakeholders, being responsive in responding complaint and negative news, comply with applicable regulations and always maintain customer satisfaction by regularly evaluating levels of service that has been carried out by the frontline in each branch office.

At least every customer complaint can be resolved as soon as possible, by informing customers so they don't make complaints via social media.

Risk Evaluation Process

The Bank's Risk Management Division prepares Risk Evaluation Reports on a periodic basis, i.e. quarterly, and submits these reports to various levels of management including to the Board of Commissioners, as well as to related external parties such as the Financial Services Authority. In addition, the Bank's Risk Management Division has coordinated with the Internal Audit Division to discuss audit findings as material for evaluating risks and minimizing risks that occur. The findings are submitted to the Company's Risk Management Division for mitigation in accordance with 8 (eight) risks and solutions are given.

Effort to Manage Risk

As a bank that had a vision to encourage regional economic growth and participate in developing small and medium enterprises that focused on providing credit to the MSME sector, it was strongly influenced by changes in the business climate such as inflation and competition with foreign products. Thus, the increasing number of foreign products that entered Indonesia as a result of the free trade that Indonesia followed. Efforts to minimize these negative impacts are carried out risk management based on the principle

of prudence to ensure the growth of a healthy and sustainable performance of the Bank.

Risk management as an integral part of business growth and daily business activities of the Bank is carried out in various ways, among others:

1. Presenting a risk perspective opinion on each new banking activities and products, along with a service banking network expansion.
2. Continuously improve operational policies and procedures, while adjusted risk tolerance limits to ensure its optimal balance between asset quality and business profitability
3. Maintain the risk management implementation aligned with macroeconomics changes and the development of Bank Jatim business.

Risk Assessment

Following OJK Regulation No. 18/POJK.03/2016 concerning Implementation of Risk Management for Commercial Banks, article 23 regulates the obligation of Banks to submit Bank Risk Profile Reports to OJK every 3 (three) months (quarterly).

Based on OJK Circular No. 34/SEOJK.03/2016 dated September 1, 2016 concerning the Implementation of Risk Management for Commercial Banks, the risk rating for Conventional Commercial Banks is categorized into 5 (five) ratings, namely 1 (low), 2 (low to moderate), 3 (moderate), 4 (moderate to high) and 5 (high) for the level of inherent risk, while the rating for the quality of implementation of risk management is categorized into five ratings, namely 1 (strong), 2 (satisfactory), 3 (fair), 4 (marginal) and 5 (unsatisfactory).

The results of the Bank's risk profile self-assessment as of December 2022 were ranked 2 (PK-2) with an inherently low to moderate risk rating and a Quality of Risk Management Implementation (KPMR) rating, namely Satisfactory.

Type of Risk	Inherent Risk	Quality of Application of Risk Management	Composite Risk Rating
Credit Risk	Moderate	Fair	3
Market Risk	Low to Moderate	Satisfactory	2
Liquidity Risk	Low to Moderate	Fair	2
Operational Risk	Moderate	Fair	3
Legal Risk	Low to Moderate	Fair	2
Strategic Risk	Low to Moderate	Satisfactory	2
Compliance Risk	Low to Moderate	Fair	2
Reputation Risk	Low to Moderate	Satisfactory	2
Composite Rating	Low to Moderate	Satisfactory	2

Review of The Effectiveness of The Risk Management System

The Bank constantly evaluates the effectiveness of the risk management system. The evaluation includes adjusting the strategy and risk framework as part of the risk management policy, the adequacy of the information system, and the adequacy of identifying, measuring, monitoring, and controlling risks.

One form of evaluation of the risk management policy is the evaluation of the Risk Management Policy and Standard Procedures. The Board of Commissioners plays an active role in evaluating the risk management system by reviewing the results carried out by the Board of Directors as the organ responsible for the effectiveness of the risk management system implementation. The evaluation results show that implementing Bank Jatim's risk management during 2022 is quite adequate. Evaluation of the implementation of risk management is carried out periodically. The evaluation results are then conveyed to various levels of management as well as to related external parties such as the Financial Services Authority.

Statement of The Board of Directors and/ or The Board of Commissioners or The Risk Monitoring Committee on The Adequacy of The Risk Management System

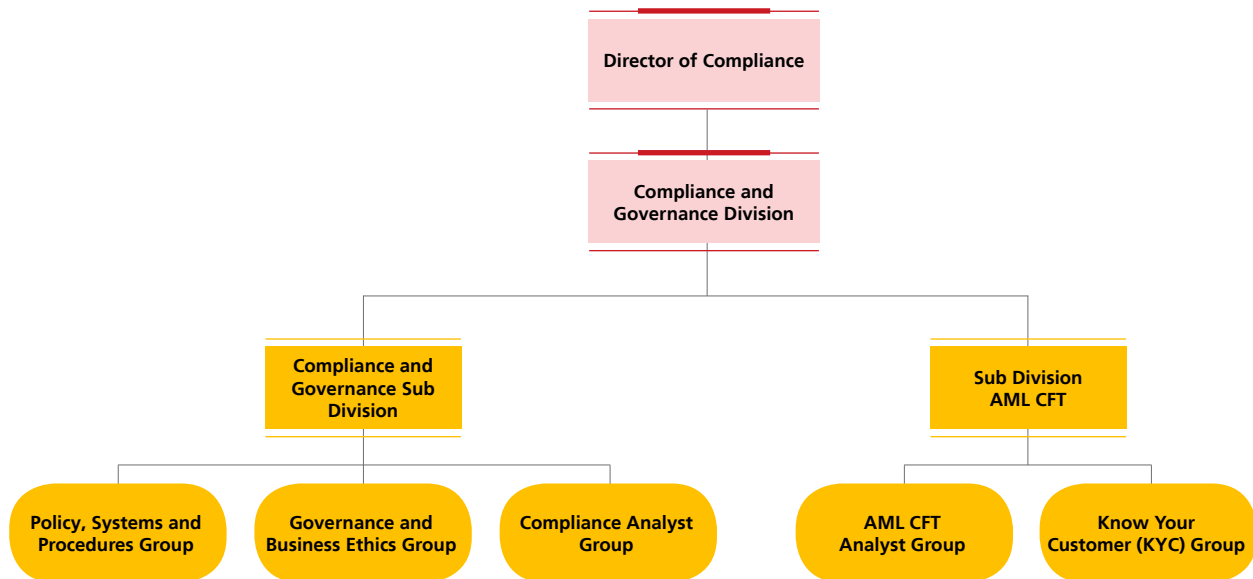
The Board of Commissioners through the Risk Monitoring Committee assessed that the adequacy of risk management was effective and adequate as reflected in:

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



Compliance Function

Organizational Structure



The establishment of the Compliance Unit by the Director in charge of Compliance is regulated in the Financial Services Authority Regulation Number 46/POJK.03/2017 concerning the Implementation of the Compliance Function of Commercial Banks. The Compliance Unit must be independent and only report directly to Director in charge of Compliance Function.

Profil of Compliance and Governance Division Leaders



Glemboh Priambodo

Head of Compliance & Governance Division

Citizenship	: Indonesian citizens
Domicile	: Surabaya
Place and Date of Birth/Age	: Born in Malang in 1970. Age 52 as of December 2022.
Educational background	: <ul style="list-style-type: none"> University of Surabaya Law Degree (1997) Master of Law from University of August 17 (2001) Master of Management STIE ABI Surabaya (2003) Doctor of Law University Doctor of Law 17 August (2022)
Legal Basis of Appointment	: Since 2022 he has served as Head of the Compliance & Governance Division based on Directors Decree No. 061/076/DIR/HCP/KEP dated May 12, 2022.
Work experience	: Joined Bank Jatim in 1997. Prior to occupying his current position, he served as Senior Analyst for External Communication Sub Division (2015), Senior Analyst for Priority Banking Sub Division (2015), Acting Branch Manager Dr. Soetomo (2016), Branch Manager Dr. Soetomo (2017), Head of Corporate Secretary (2018), Head of Bank Jatim Main Branch (2021).

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 2022 is as follows:

No	Name of Education and Competency Development	Implementation date
1.	Service Leadership Training to Create Super Service Team	January 8, 2022
2.	Development Program for Sub-Branch Managers	January 24, 2022
3.	Online Corporate Culture Training Workshop for Change Leaders	February 15, 2022
4.	Banking Compliance Certification Training Level 1	March 9, 2022
5.	Level 1 Compliance Certification Exam – Officer	October 12, 2022
6.	Risk Management Certification Refreshment Program	March 12, 2022
7.	Becoming Extraordinary Leaders	October 15, 2022
8.	Training Design Training From The Ground Up	March 12, 2022
9.	Implementation of Anti-Money Laundering and Counter-Terrorism Financing (APU PPT) in the Digital Age	March 21, 2022
10.	Metaverse, Cryptocurrency – Future Opportunities and Challenges	May 31, 2022
11.	Webinar with the theme "Consumer Protection in the Era of Digitalization, Implementation of Market Conduct Supervision and Implementation for Banking	July 21, 2022
12.	Public Training with the Topic "Implementation of Compliance Studies in the Context of Providing Compliance Opinions (accompanied by a sample Compliance Review Report)	August 3, 2022



Implementation of the Compliance Function Duties

The implementation of the Compliance Function duties that have been implemented in 2022 is as follows:

1. Improving programs for embodying a culture of compliance in work units both offline and online, and continuously increasing employee understanding of applicable rules and regulations.
2. Actively monitor and build communication with related work units on new external regulations issued by regulators as an effort to ensure that policies, provisions, systems and procedures and business activities carried out by the Bank comply with the provisions of the Financial Services Authority and regulatory provisions laws and regulations, including Sharia Principles for sharia commercial banks and sharia business units
3. Developing a compliance portal so that it can function effectively to support the performance of all work units, as well as integrating work papers on a summary of external provisions in the compliance portal.
4. Identify, measure, monitor and control compliance risk to minimize the occurrence of compliance risk through monitoring parameters that affect compliance risk.
5. Development of a report monitoring application (monilap) especially for monitoring features of Internal and External Audit findings.
6. Improved the Rule Making Rules which included updating the Bank's Principal Policies, Product and Activity Policies, SOPs, and Technical Guidelines.

Anti Money Laundering and Counter-Terrorism Financing (AML-CFT) 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 PPATK.
5. The Bank participated in the Financial Integrity Rating on ML/TF assessment held by PPATK.

Lawsuit

During 2022 Bank Jatim faced several essential cases in the form of civil law issues that had been completed (had received Court Decisions that had permanent legal force/inkracht), revocation of lawsuits and are still in the process of being resolved as follows:

Table of Important Matters

No.	Cases	Total		
		Civil	Commerce	Industrial relations
1.	Completed (There has been a Court Decision that has permanent legal force/inkracht)	15	-	1
2.	Lawsuit Revocation	2	-	-
3.	In Process of Completion	27	2	1

Important Case Faced by The Company

Of the several cases faced by the Bank, there were 7 (seven) significant civil cases as follows:

Table of Important Cases Faced by the Company

No	Case/Lawsuit	Completion Status	Risk	Management Efforts	Sanctions imposed	Claims for Material Compensation (in millions of rupiah)
1.	Case Number 584/Pdt.G/2007/PN.Sby dated November 21, 2007 between PT Hikmah Surya Jaya and Bank Jatim	Won by Bank Jatim in the District Court and High Court.	Legal Risk	Bank Jatim made a written confirmation to the Court regarding the inkraht status of the High Court Decision.	None	IDR3.000,-
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	Bank Jatim submitted a counter cassation memorandum to strengthen the position of Bank Jatim	None	IDR4.032,-
3.	Bankruptcy Case Number 40/Pdt.Sus/PKPU/2019/PN.Niaga Sby with applicants PT Fatma Lestari Abadi Mix and CV Azka Pelangi Bersaudara against PT Citra Gading Asritama (in bankruptcy)	The process of verifying creditor files at the Commercial Court at the Surabaya District Court	Legal Risk	Bank Jatim has verified the debt to PT Citra Gading Asritama/ Bank Jatim's debtor (in bankruptcy).	None	IDR31.103,-
4.	Case Number 1048/Pdt.G/2019/PN.Sby dated October 23, 2019 between PT Pan Pacific Insurance, PT Waskita Karya and PT Duta Cipta Pakar Perkasa (in bankruptcy) and Bank Jatim	Cassation process at the Supreme Court	Legal Risk	Bank Jatim submitted a counter cassation memorandum to strengthen the position of Bank Jatim	None	IDR109.254,-
5.	Case Number 61/Pdt.G/2021/PN.Kdr dated November 8, 2021 between H. Bambang Sumadji HS and Bank Jatim	Cassation process at the Supreme Court	Legal Risk	Bank Jatim submitted a counter cassation memorandum to strengthen the position of Bank Jatim	None	IDR3.967,-
6.	Case Number 6/Pdt.Sus-Other Claims/2022/PN.Niaga Sby juncto 40/Pdt.Sus-PKPU/2019/PN.Niaga Sby dated February 17, 2022 between the Curator Team of PT Citra Gading Asritama (in bankruptcy) and East Java Bank	Cassation process at the Supreme Court	Legal Risk	Bank Jatim submitted a counter cassation memorandum to strengthen the position of Bank Jatim	None	IDR27.823,-
7.	Case Number 34/Pdt.G/2022/PN.Bjn dated August 29, 2022 between H. Mudjiono and Bank Jatim	The trial process at the Bojonegoro District Court	Legal Risk	Bank Jatim submits responsibility and evidence in court to strengthen Bank Jatim's position	None	IDR3.000,-



Important Cases Which Faced by the Board of Commissioners and the Board of Directors

During 2022 there were no legal issues being faced by the incumbent Board of Commissioners and Directors.

Legal Problems Facing Subsidiaries

During 2022, Bank Jatim does not yet have Subsidiaries, so there is no information on legal issues being faced by Subsidiaries.

Impact of Legal Problems on Bank

The impact of civil law problems experienced by Bank Jatim through the legal process is not significant and does not interfere with the Bank's performance because the Bank has carried out appropriate mitigation and litigation processes and in accordance with the provisions of laws and regulations.

Administrative Sanctions Imposed to Companies, Members of the Board of Commissioners and the Board of Directors By Capital Market Authorities and Other Authorities

During 2022 there were no administrative sanctions imposed on the Company, members of the Board of Commissioners and Directors by the capital market authorities and other authorities.

Access to Company Information and Data

The public can access all financial and non-financial reports that have been submitted by Bank Jatim in a transparent manner through various means that are available in a timely, complete and accurate manner.

Internal Communication

Bank Jatim maintained an internal communication network between the Bank's management and employees and ensured the implementation of communication went well within the organization. By taking this into account, Bank Jatim developed several communication channels, including through the Bank Jatim Magazine, the human resources intranet portal and Bank Jatim internal information media which provided information to all Bank Jatim employees about various company activities and information needed in carrying out daily activities. Internal communication has a purpose, namely:

1. Responsibility for internal management.
2. Submission of draft speeches, papers, seminar materials for the Board of Directors and materials for the GMS.
3. Submission of the preparation of the Bank's Annual Report Book and Company profile.
4. Proposal of procedures and concepts for Board of Directors meetings, ceremonies, Bank events and other meetings.

External Communication

Bank Jatim used various communication channels both to internal and external parties which aimed to build a company image through print media, electronic media, broadcast media, display media and others. To make it easier for the public to get the latest information about the company, Bank Jatim had a corporate website that could be accessed through **www. bankjatim.co.id** 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:

Derry Widya Ariyanta
Corporate Secretary Kantor Pusat
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

The activities that have been carried out by the Investor Relations Team during 2022 are as follows:

1. Analyst Meeting activities, in 2022 will be held 4 (four) times a year

No	Date	Location	Topics
1.	22/02/2022	Bank Jatim Headquarter	Analyst Meeting FY 2021 Audited
2.	20/04/2022	Hotel Raffles, Jakarta	Analyst Meeting 3M22
3.	25/07/2022	Ritz Carlton, Jakarta	Analyst Meeting 1H22
4.	28/10/2022	Ritz Carlton, Jakarta	Analyst Meeting 9M22

2. Communication with analysts namely One on One Meeting and Conference Call/Online Meeting.

No	Date	Location	Topics
1.	18/11/2022	Bank Jatim Headquarter	Daiwa Asset Management
2.	22/11/2022	Benedict Café Pacific Place, Jakarta & Monsieur Spoon Pacific Place, Jakarta	PT Mandiri Sekuritas & PT Trimegah Securities
3.	23/11/2022	Café Kitsune ASHTA , Jakarta & Grand Indonesia, Jakarta	PT RHB Sekuritas & Edgbaston Investment partners
4.	15/12/2022 & 16/12/2022	Sakana Japanese Restaurant, Jakarta & Paul Pacific Place, Jakarta	PT BNI Sekuritas & PT BRI Danareksa

3. Participation in the Public Expose Live organized by the Indonesia Stock Exchange on the date September 13, 2022;
4. Participation in the CMSE (Capital Market Summit & Expo) organized by the Indonesia Stock Exchange on October 13-15, 2022;
5. Dissemination of Shares in order to participate in the activities of the East Java Representative of the Indonesia Stock Exchange with the theme "Coast Exploration" on August 24, – October 19, 2022.

Press Conference

Date	Press Conference
January 28, 2022	President Director of Bank Jatim Busrul Iman personally attended the Cooperation Agreement with DIKNAS of East Java Province
February 19, 2022	Bank Jatim Submits CSR to Banyuwangi Regency Government
February 22, 2022	Busrul Iman Describes 2021 Financial Performance Total Assets Translucent 100 Trillion, Bank Jatim Makes History
March 8, 2022	Busrul Iman Submits Bank Jatim Cares CSR to Bangkalan Regency Government
March 10, 2022	Bank Jatim Submits CSR to Madiun City Government
March 10, 2022	JConnect Performance Increases, Bank Jatim Continues to Develop Digital Banking Services
March 10, 2022	Bank Jatim Submits CSR to Madiun City Government
March 17, 2022	ANNUAL GENERAL MEETING OF SHAREHOLDERS PT BANK PEMBANGUNAN REGIONAL EAST JAVA TBK FINANCIAL YEAR 2021
April 20, 2022	Bank Jatim Hands Over CSR to Surabaya City Government



Date	Press Conference
April 20, 2022	Bank Jatim Continues to Show Positive Growth in Quarter One
May 19, 2022	Bank Jatim Wins TOP BUMD 2022
May 19, 2022	Bank Jatim Helps Improve the Quality of MSMEs in Kediri Regency
May 30, 2022	Bank Jatim Wins Best Bank Award 2022
May 31, 2022	Main Director of Bank Jatim Wins Indonesia Financial Top Leader Awards
June 09, 2022	Facilitating Tax Payments, Bank Jatim together with the Lamongan Regency Government Launched the E-BPHTB and E-SPTPD
June 10, 2022	Bank Jatim Helps Renovate Bululawang Market Through CSR Program
June 14, 2022	Collaboration with Bank Jatim, Surabaya City Government Launches KatePay
June 15, 2022	Bank Jatim Distributes CSR to the Gresik Regency Government
June 16, 2022	Bank Jatim Supports the East Java Provincial Government in Provision of City/Regency ADM Machines throughout East Java
July 01, 2022	Bank Jatim Borong Awards at the End of Quarter II 2022
July 24, 2022	BI-FAST Completes JConnect Mobile Bank Jatim Features
July 25, 2022	Bank Jatim Continues to Show Positive Growth in the Second Quarter
July 29, 2022	Bank Jatim Wins Corporate Reputation Awards 2022
July 31, 2022	Bank Jatim Support Gowes Activities with the Governor of East Java
August 20, 2022	61 Years Bank Jatim Sat Set Wat Wet
August 20, 2022	Bank Jatim Hands Over CSR to Sidoarjo Regency Government
August 25, 2022	Bank Jatim Wins Indonesia Best Bank 2022
August 29, 2022	Bank Jatim Synergy with Employment BPJS in the Success of the Circle GN Program
August 29, 2022	Bank Jatim Supports the Ministry of Agriculture Through the TANI AKUR Program
September 06, 2022	Bank Jatim Wins Two Top GRC Awards 2022
September 08, 2022	Bank Jatim Holds Treasury BPD Talk 2022
September 08, 2022	Bank Jatim Wins Indonesia Top Bank Awards 2022
September 13, 2022	Bank Jatim Holds Public Expose, Continues to Show Positive Performance Post-Pandemic
September 14, 2022	Bank Jatim Hands Over CSR to BAZNAS East Java Province
September 16, 2022	Bank Jatim Collaborates with BKPSDM Lamongan
September 25, 2022	Pampering Customers, Bank Jatim Holds Westlife Concert
September 25, 2022	Commemorating 2 Decades of the APUPPT Movement, Bank Jatim Plants Trees with the City Government of Surabaya
September 26, 2022	Bank Jatim Hands Over CSR to Jombang District Government
October 02, 2022	Bank Jatim Solidarity for Aremania, Bank Jatim Ready to Help Victims of the Kanjuruhan Stadium Tragedy
October 06, 2022	Bank Jatim Gives Assistance to Families of Kanjuruhan Victims
Oct. 09, 2022	Bank Jatim General Champion in East Java Inter-BUMD Sports Tournament
October 12, 2022	Commemorating the Anniversary of East Java Province, the President Director of Bank Jatim Receives the Rotating Cup for the Governor of East Java
October 21, 2022	Bank Jatim Wins the 2022 Indonesia Finance Award
October 26, 2022	Bank Jatim Wins Inews Indonesia Awards 2022
October 27, 2022	Bank Jatim Wins Paritrana Award
October 28, 2022	Moncer's performance, Bank Jatim records a net profit of IDR1.2 T in Quarter III
October 30, 2022	Bank Jatim Assists in the Repair of 10 Uninhabitable House Units (RTLH) in Bondowoso Regency
November 01, 2022	Bank Jatim Strengthens Synergy with the East Java Association of Indonesian Export Companies (GPEI).
November 05, 2022	Sparkling SIMPEDA 2022 Lottery Prizes
November 06, 2022	Holding a Cultural Festival, Bank Jatim Invites People to Remember the Beauty of Djaman Doeloe
November 10, 2022	Bank Jatim Improves International Standard Information Security Management System Through ISO 27001
November 11, 2022	Bank Jatim Wins the 2022 CNBC Indonesia Awards
November 14, 2022	Bank Jatim Submits CSR to Malang City Government

Date	Press Conference
November 21, 2022	Bank Jatim Establishes Collaboration with PT Sinergi Gula Nusantara
November 27, 2022	Bank Jatim and BNI Collaboration Improve Digital Banking Services
December 01, 2022	Bank Jatim Wins Indonesia Best Digital Finance Awards 2022
December 07, 2022	EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS PT BANK DEVELOPMENT OF EAST JAVA Tbk 2022
December 07, 2022	Bank Jatim Distributes Aid to Refugees and Volunteers for the Semeru Eruption
December 09, 2022	Succeeding World Anti-Corruption Day, Bank Jatim Wins the 2022 LHKPN Award
December 15, 2022	Bank Jatim Hands Over CSR to Blitar City Government and Nganjuk Regency Government
December 15, 2022	Success in Digital Transformation, Bank Jatim Wins Top Digital Awards 2022
December 15, 2022	Bank Jatim Named Rank I Best KUR Distributor
December 18, 2022	Banyuwangi Regency Government Appreciates Bank Jatim CSR Distribution
December 24, 2022	Batu City Government and Jember Regency Government Appreciate Bank Jatim CSR Distribution
December 27, 2022	Bank Jatim Wins Paritrana Award 2022 East Java Province
December 29, 2022	Towards the end of the year, Bank Jatim continues to show its concern for the people of East Java

Bulletin

Volume	Bulletin Theme
22nd Edition	The Economy Rises, Banking Credit Grows Positively
23rd Edition	Facing the Economic Speed During the Pandemic Transition Period
24th Edition	Optimism of the Business World Encourages Banking Credit Disbursement

Transparency of Report Submission

Bank Jatim is always committed to being transparent in submitting reports, both periodic and incidental reports. The reports that have been submitted by Bank Jatim for 2022 are as follows.

Periodic Report

No.	Type of Report	Goals	Report Period	Total
1.	Securities Holder Registration Report	FSA	Monthly	12
2.	Foreign Exchange Debt Report	FSA	Monthly	12
3.	Annual report	IDX and FSA	Annual	1

Incidentile Report

No.	Date	Reference Number	Goals	Regarding
1.	04/01/2022	061/01/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
2.	12/01/2022	061/17/CSE/IVR/Srt	IDX	Explanation of Mass Media Coverage
3.	18/01/2022	061/013/DIR/CSE/Srt	FSA	Information Report or Material Facts Changes in members of the Board of Directors and/or members of the Board of Commissioners
4.	31/01/2022	061/040/DIR/CSE/Srt	IDX and FSA	Submission of the Agenda of the Annual General Meeting of Shareholders
5.	04/02/2022	061/64/CSE/Srt	IDX and FSA	Requests for clarification from Issuers and Other Public Companies
6.	08/02/2022	061/048/DIR/CSE/Srt	IDX and FSA	Announcement of GMS

No.	Date	Reference Number	Goals	Regarding
7.	08/02/2022	061/04/CSE/IVR/Srt	IDX and FSA	Submission of Advertisement Proof of Notification of GMS
8.	23/02/2022	061/055/DIR/CSE/Srt	IDX and FSA	Requests for clarification from Issuers and Other Public Companies
9.	23/02/2022	061/054/DIR/CSE/Srt	IDX and FSA	Summons for the Annual General Meeting of Shareholders
10.	23/02/2022	061/05/CSE/IVR/Srt	IDX and FSA	Submission of Advertisement Proof of Summons for the GMS
11.	23/02/2022	061/056/DIR/CSE/Srt	IDX and FSA	Submission of Annual and Sustainability Reports
12.	24/02/2022	061/49/PKU/AKP/GPL/Srt	FSA	Submission of Advertising Evidence of Annual Financial Report Information
13.	04/03/2022	061/130/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
14.	21/03/2022	061/072/DIR/CSE/Srt	IDX and FSA	Summary of Minutes of Annual General Meeting of Shareholders
15.	21/03/2022	061/09/CSE/IVR/Srt	IDX and FSA	Submission of Evidence of GMS results
16.	21/03/2022	061/08/CSE/IVR/Srt	IDX and FSA	Disclosure of Information Related to Corporate Actions
17.	21/03/2022	061/10/CSE/IVR/Srt	IDX and FSA	Management change
18.	23/03/2022	061/169/CSE/IVR/Srt	IDX	Organizing the 2022 Bank Jatim Event
19.	04/04/2022	061/200/CSE/IVR/Srt	IDX and FSA	Requests for clarification from Issuers and Other Public Companies
20.	05/04/2022	061/083/DIR/CSE/Srt	IDX and FSA	Minutes of Annual General Meeting of Shareholders
21.	11/04/2022	061/12/CSE/IVR/Srt	IDX and FSA	Changes to the Nomination and Remuneration Committee of Issuers or Public Companies
22.	11/04/2022	061/235/CSE/IVR/Srt	IDX and FSA	Audit Committee Changes
23.	27/04/2022	061/418/PKU/AKP/GPL/Srt	IDX and FSA	Submission of Advertising Evidence of Interim Financial Report Information
24.	28/04/2022	061/139/DIR/CSE/Srt	IDX and FSA	Ownership Report or Any Changes in Public Company Share Ownership
25.	10/05/2022	061/293/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
26.	02/06/2022	061/335/CSE/IVR/Srt	IDX and FSA	Change of Corporate Secretary
27.	03/06/2022	061/336/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
28.	14/06/2022	061/173/DKM/Srt	IDX and FSA	Ownership Report or Any Changes in Company Share Ownership
29.	14/06/2022	061/168/DIR/CSE/Srt	FSA	Ownership Report or Any Changes in Company Share Ownership
30.	14/06/2022	061/169/DIR/CSE/Srt	FSA	Ownership Report or Any Changes in Company Share Ownership
31.	15/06/2022	061/170/DIR/CSE/Srt	FSA	Ownership Report or Any Changes in Company Share Ownership
32.	30/06/2022	061/400/CSE/IVR/Srt	IDX	Organizing the Bank Jatim Event in 2022
33.	05/07/2022	061/405/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
34.	28/07/2022	061/534/PKU/AKP/GPL/Srt	FSA	Submission of Advertising Evidence of Interim Financial Report Information
35.	04/08/2022	061/478/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and other Public Companies
36.	30/08/2022	061/16/CSE/IVR/Srt	IDX	Plan to Organize Public Expose-Annual
37.	02/09/2022	061/605/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
38.	08/09/2022	061/19/CSE/IVR/Srt	IDX	Submission of Public Expose Materials-Annual

No.	Date	Reference Number	Goals	Regarding
39.	15/09/2022	061/20/CSE/IVR/Srt	IDX	Report on the results of the Public Expose-Annual
40.	30/09/2022	061/21/CSE/IVR/Srt	FSA	Appointment/Change of Public Accountant Firm and/or Public Accountant
41.	05/10/2022	061/681/CSE/IVR/Srt	FSA	Audit Committee Changes
42.	05/10/2022	061/680/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
43.	21/10/2022	061/315/DIR/CSE/Srt	IDX and FSA	Submission of the Agenda of the Extraordinary General Meeting of Shareholders
44.	28/10/2022	061/322/DIR/CSE/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
45.	31/10/2022	061/323/DIR/CSE/Srt	IDX and FSA	Notification of Planned Extraordinary General Meeting of Shareholders
46.	31/10/2022	061/770/PKU/AKP/GPLsrt	FSA	Submission of Advertising Evidence of Interim Financial Report Information
47.	31/10/2022	061/23/CSE/IVR/Srt	IDX and FSA	Submission of Advertisement Proof of Notification of GMS
48.	02/11/2022	061/769/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
49.	11/11/2022	061/378/DIR/CSE/Srt	IDX and FSA	Submission of Changes to the Agenda of the Extraordinary General Meeting of Shareholders
50.	15/11/2022	061/376/DIR/CSE/Srt	IDX and FSA	Summons for the Extraordinary General Meeting of Shareholders
51.	15/11/2022	061/25/CSE/IVR/Srt	IDX and FSA	Submission of Advertisement Proof of Summons for the GMS
52.	05/12/2022	061/841/CSE/IVR/Srt	FSA	Requests for clarification from Issuers and Other Public Companies
53.	08/12/2022	061/408/DIR/CSE/Srt	IDX and FSA	Summary of Minutes of Extraordinary General Meeting of Shareholders
54.	09/12/2022	061/27/CSE/IVR/Srt	IDX and FSA	Submission of Advertisement Proof of GMS Results
55.	27/12/2022	061/432/DIR/CSE/Srt	IDX and FSA	Minutes of Extraordinary General Meeting of Shareholders

Code of Conduct

The Code of Conduct or Corporate Culture is a guideline that functions as:

1. Codification or compilation of policies, employee regulations that set standards of behavior both for Management and Employees in realizing GCG and the Bank's work culture.
2. Reference for every Bank employee in good and professional behavior to regulate themselves based on mutual interests with all stakeholders.
3. The basis for determining service products and various activities carried out by the Bank are deemed to have fulfilled the specified code of conduct, work ethics and business.
4. Reference to maintain a good relationship between the Bank's personnel and related external parties based on GCG principles and the application of behavior, work ethics and business. The implementation of the Code of Conduct is a must and must be obeyed by every Bank employee consistently showing that the Bank upholds cultural values as well as business ethics and behavior in carrying it out. As a code of conduct, and work and business ethics of the Bank, the Code of Conduct is in line with the vision and mission to be achieved by the Bank and supported by values that are upheld in accordance with the prevailing corporate culture.

Scope of Code of Conduct

Bank Jatim's Code of Conduct is regulated in manual book No. 058/116/DIR/PRS/KEP concerning code of conduct, work ethics and business (code of conduct) dated May 14, 2019. Implementation of the Code of Conduct is a must of which lead to making governance as a company culture that can be measured through guidelines for behavior and work & business ethics. The Code of Conduct is the main reference about the attitudes or actions that must be taken and which should not be carried out by Bank Jatim Personnel in carrying out daily activities within the Bank Jatim environment. This means that managers and employees are obliged to obey and comply with the code of conduct in Bank Jatim.

The scope of the Code of Conduct includes:

1. Work Ethics
2. Business Ethics



Principals of Code of Conduct

The main points of the Code of Ethics contain work ethics and business ethics. Work ethics and business ethics includes the following aspects:

WORK ETHICS

Handling of Conflict of Interest	In carrying out business activities that refer to the principles of Good Corporate Governance, the Bank is required to manage conflicts of interest. Conflict of interest management is aimed at creating a work climate that always puts the interests of the Bank ahead of personal interests and improves good relations with suppliers, customers, and other stakeholder parties. Handling of conflicts of interest to refer to the applicable internal provisions.
Gratification Control	<ul style="list-style-type: none"> a. All Bank Officials and Employees are prohibited from giving or promising gratuities either directly or indirectly, which are considered as giving bribes to civil servants or State administrators if the gift relates to their position and is contrary to their obligations or duties; b. All Bank Officers and Employees are prohibited from receiving and soliciting gratuities that are considered bribes either directly or indirectly from any party in order to comply with policies/decisions/treatment of Bank officials and employees according to their position, authority, and responsibility; c. All Bank Officers and Employees are required to reject gratuities that are considered bribes, whether received directly or indirectly; d. Categories and procedures for reporting gratuities are regulated in more detail in the applicable regulations.
Political Activities	<ul style="list-style-type: none"> a. The Bank guarantees and respects the rights of the Bank's management and employees to exercise their political rights in accordance with the provisions of the applicable laws and regulations. Banks will not impose their will/limit the rights of management and bank employees as individuals to be able to channel their political aspirations; b. Its management and Bank employees individually can convey political aspirations freely without pressure from any party in accordance with the applicable laws and regulations; c. Prohibited activities: <ul style="list-style-type: none"> 1. Management and Bank 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 election campaign executors; 3. Bank Management and Employees are prohibited from providing donations and other assistance in any form including the use of facilities and infrastructure owned by the Bank for Presidential Elections, Regional Head Elections and members of the legislature; 4. Pursuant to the Law on Elections, members of the DPR, DPD and DPRD, management and employees of banks who become campaigners can be subject to criminal sanctions and imprisonment as provided for in the applicable laws. d. Resignation and Cessation from Political Activities Resignation and Bank employees who become Executives of Political Parties/and/or become candidates/members of the legislature are required to resign and/or be dismissed from their respective positions and obtain rights according to the Bank's internal provisions that apply.

BUSSINESS ETHICS

Bank Ethics with Employees	<p>Bank Ethics with employees can be conveyed as follows:</p> <ul style="list-style-type: none"> a. Fairness of 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 Channel;
Bank Ethics with Customers	<ul style="list-style-type: none"> a. Offering products and services according to predetermined quality standards; b. Providing the best service to customers and following up on customer complaints fairly without discrimination; c. Carrying out continuous promotions in a healthy, fair, honest, non-misleading manner and accepted by applicable norms to achieve customer satisfaction and trust.

Bank Ethics with Goods and Service Providers	<ul style="list-style-type: none"> a. The selection of goods and services providers must be based on an assessment of capabilities, achievements, and based on compliance and objectivity in the fields of price standards, quality, availability, requirements and services provided by partners/suppliers; b. Banks do not treat goods and services providers who have become customers of the Bank in a special way; c. Carry out payments to providers of goods and services on time as long as the invoice issued is accompanied by supporting documents and is in accordance with the agreed amount; d. Imposing sanctions on goods and services providers who commit violations; e. Maintaining good communication with providers of goods and services including following up on complaints and objections; f. Utilizing good relations with providers of goods and services as an intelligent market and intelligent competitor; g. Applying the latest goods and services procurement technology; h. Every Bank employee is prohibited from asking for and/or receiving compensation, both financial and non-financial for personal gain; i. Goods and service providers are advised to understand and follow Bank regulations relating to procurement and services from external parties; j. Other provisions regarding the procurement of goods and services refer to the provisions stipulated by the General Division.
Bank Ethics With Competitors	<ul style="list-style-type: none"> a. The Bank complies with the provisions of the anti-monopoly law; b. Conduct market research to find out competitors' positions; c. Carrying out fair and competitive competition by prioritizing the excellence of quality products and services.
Bank Ethics with Work Partners	<ul style="list-style-type: none"> a. Making mutually beneficial cooperation agreements with partners; b. Uphold 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 the 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 the provisions of BI, OJK and applicable laws and regulations of other authorities and regulators; b. Employees must be aware not to cooperate with customers and/or active parties who violate the law; c. Deviations, negligence or employee violations of internal and external provisions, policies and regulations including BI, OJK and applicable laws and regulations as well as other authorities and regulatory provisions are subject to sanctions in accordance with applicable procedures; d. Fostering good relations and communication with the Central and Regional Governments, the Financial Services Authority, Bank Indonesia and other external parties; e. Applying the best standards (best practices) by taking into account the applicable regulations regarding the quality of services, products and services, health, safety, and the environment; f. Avoid practices of Corruption, Collusion and Nepotism (KKN) in dealings with the Government and Regulators.
Bank Ethics with Society	<ul style="list-style-type: none"> a. Development in the social sector, namely activities that have an impact on improving the quality of social life, culture, religion, and social welfare; b. Supporting environmental preservation efforts; c. Community economic development; d. Incidental activities.
Bank Ethics With Mass Media	<ul style="list-style-type: none"> a. Providing relevant and balanced information to the mass media, both 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. Main Director and Director; 2. Corporate Secretary; 3. Branch Manager. c. The Bank's communication tools with the mass media consist of press conferences, press releases, interviews and media inquiries; d. Accept and follow up on constructive criticism conveyed through the mass media, but still pay attention to the aspects of risk and costs.
Bank Ethics with Professional Organizations	<ul style="list-style-type: none"> a. Make mutual agreements regarding ethical standards that apply to fellow members of professional and regulatory organizations; b. Uphold the attitude of partnership and equality towards fellow members of professional and regulatory organizations.

Compliance with Code of Conduct

The Code of Conduct applies to the Board of Directors, Board of Commissioners and all employees. The Bank requires the Board of Directors, Board of Commissioners and all employees to sign an Integrity Pact statement for further implementation. 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 Portals
2. Compliance Portal
3. Integrity Pact
4. Campaign Program, includes:
 - a. Printed advertising (posters, banners, hanging banners, stickers, and mica standing)
 - b. Other campaigns include agendas, mouse pads, flash drives, paper fans, umbrellas, tumblers, power banks



Pic 1.1

1.1 One form of risk culture campaign is through the use of a pin on the left of the uniform.

- c. Portal and Corporate Identity
- d. Quiz
- e. Social media
 - Employee Involvement Campaign including the Expression songwriting contest
 - Leaders Talks Values

Efforts for Implementation and Enforcement of the Code of Conduct

Implementation of the code of ethics is an obligation for the management and employees of the Bank. This code of conduct will always be used as a guide in the preparation of policies, manuals/ procedures and management practices. 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 violating the Code of Ethics are regulated in PT Bank Pembangunan Daerah Jawa Timur Tbk Decree No. 061/03/02/DIR/HCP/KEP dated January 12, 2022 concerning Standard Operating Procedure (SOP) for Punishment of Employees of PT Bank Pembangunan Daerah Jawa Timur Tbk. Sanctions will be given to each personnel of the Bank who has been proven to have violated and legally violated by the person concerned. New sanctions can be determined after the type of violation is known. All types of administrative sanctions in the form of mild, moderate, or severe sentence are determined by a Decree of the Board of Directors, and the person concerned will lose the opportunity to attend education/training funded by the Bank as long as the person concerned has not finished serving and is receiving rehabilitation from the Board of Directors.

The types of sanctions for violating the code of ethics are as follows:

1. Sanctions for Code Violation
 - a. Sanctions for Violation of Rules in the Form of Guidance
 - Verbal Reprimand
 - Reminder Letter
 - b. Sanctions for Violation of Rules in the Form of Disciplinary Penalties
 - Sanctions for Misuse of Bank Secrets and Data and Activities that Endanger the Bank's Business
 - Sanctions for Discipline
 - Sanctions for Disciplinary Violation
2. Criteria for Disciplinary Violations
 - a. Violation of Authority & Procedure
 - b. On purpose
 - c. Financial/Financial
3. Categories of Disciplinary Violations
 - a. Category I - Minor Punishment
 - b. Category II - Moderate Position Penalty
 - c. Category III - Severe Service Penalties
4. Types of Disciplinary Punishment
 - a. Category I - Minor Position Penalty:
 - Written Warning
 - Unsatisfied Statement
 - b. Category II - Moderate Position Penalty
 - Salary Increase Postponement
 - Personal Grade Decrease
 - c. Category III - Heavy Service Penalties
 - 1 (one) Level Demotion
 - 2 (two) Levels of Demotion
 - Revocation of Mandates for Position Holders
 - Disrespectful Termination

Number of Violations and Sanctions Given

No.	Branches/Divisions	Case	Number of Parties Involved	Sanctions
1.	Branch	Fund Operational Violations	2	Disrespectful Dismissal (Indisciplinary)
2.	Branch	Violation of Employee Rules	1	Statement of Dissatisfaction
4.	Branch	Fund Operational Violations	1	Disrespectful Dismissal
5.	Branch	Violation of Employee Rules	1	Decrease in Personal Grade
6.	Branch	Credit Procedure Violations	5	Disrespectful Dismissal
7.				Disrespectful Dismissal
8.				Disrespectful Dismissal
9.	Branch	Credit Procedure Violations	12	Level 1 Demo
10.				Written Reprimand
11.				Not Guilty, but given a Warning Letter
12.				Not Guilty, but given a Warning Letter
13.				Statement of Dissatisfaction
14.				Not Guilty, but given a Warning Letter
15.				Not Guilty, but given a Warning Letter
16.				Not Guilty, but given a Warning Letter
17.				Level 1 Demo
18.				Written Reprimand
19.				Not Guilty, but given a Warning Letter
20.				Not Guilty, but given a Warning Letter
21.	Branch	Credit Procedure Violations	9	Statement of Dissatisfaction
22.				Written Reprimand
23.				Statement of Dissatisfaction
24.				Statement of Dissatisfaction
25.				Revocation of Mandate
26.				Decrease in Personal Grade
27.				Decrease in Personal Grade
28.				Decrease in Personal Grade
29.				Written Reprimand



No.	Branches/Divisions	Case	Number of Parties Involved	Sanctions
30.	Branch	Credit Procedure Violations	5	Written Reprimand
31.				Written Reprimand
32.				Not Guilty, but given a Warning Letter
33.				Not Guilty, but given a Warning Letter
34.				Not Guilty, but given a Warning Letter
35.	Branch	Credit Procedure Violations	2	Dishonorable Dismissal (Incarcerated More than 6 months)
36.				Dishonorable Dismissal (Incarcerated More than 6 months)
37.	Division	Violation of Employee Rules	1	Dishonorable Dismissal (Incarcerated More than 6 months)
38.	Branch	Credit Procedure Violations	1	Dishonorable Dismissal (Incarcerated More than 6 months)
39.	Division	Credit Procedure Violations	1	Dishonorable Dismissal (Incarcerated More than 6 months)
40.	Branch	Fraud Related to Customer Funds	2	Work termination
41.				Written Reprimand
42.	Audit & Branch Division	Violation of Employee Rules	2	Decrease in Personal Grade
43.				Decrease in Personal Grade
44.	Branch	Violation of Employee Rules	1	Statement of Dissatisfaction
45.	Branch	Fund Operational Violations	4	Decrease in Personal Grade
46.				Statement of Dissatisfaction
47.				Statement of Dissatisfaction
48.				Statement of Dissatisfaction
49.	Branch	Fraud Related to Customer Funds	3	Statement of Dissatisfaction
50.				Statement of Dissatisfaction
51.				Warning Letter 1
52.	Branch	Credit Procedure Violations	1	Disrespectful Dismissal
53.	Branch	Credit Procedure Violations	21	Decrease in Personal Grade
54.				Decrease in Personal Grade
55.				Decrease in Personal Grade
56.				Decrease in Personal Grade
57.				Decrease in Personal Grade
58.				Decrease in Personal Grade
59.				Statement of Dissatisfaction
60.				Statement of Dissatisfaction
61.				Statement of Dissatisfaction
62.				Statement of Dissatisfaction
63.				Decrease in Personal Grade
64.				Decrease in Personal Grade

No.	Branches/Divisions	Case	Number of Parties Involved	Sanctions
65.				Decrease in Personal Grade
66.				Decrease in Personal Grade
67.				Decrease in Personal Grade
68.				Statement of Dissatisfaction
69.				Statement of Dissatisfaction
70.				Statement of Dissatisfaction
71.				Statement of Dissatisfaction
72.				Statement of Dissatisfaction
73.				Statement of Dissatisfaction
74.	Branch	Violation of Employee Rules	1	Decrease in Personal Grade
75.	Branch	Fund Operational Violations	1	Disrespectful Dismissal
76.	Branch	Fraud Related to Customer Funds	1	Disrespectful Dismissal
77.	Branch	Credit Procedure Violations	1	Disrespectful Dismissal
78.	Branch	Credit Procedure Violations	8	Level 1 Demo
79.				Level 1 Demo
80.				Written Reprimand
81.				Written Reprimand
82.				Written Reprimand
83.				Written Reprimand
84.				Written Reprimand
85.				Written Reprimand
86.	Branch	Fund Operational Violations	1	Written Reprimand
87.	Branch	Credit Procedure Violations	1	Statement of Dissatisfaction
88.	Branch	Fraud Related to Customer Funds	1	Disrespectful Dismissal
89.	Division	Violation of Employee Rules	1	Written Reprimand
90.	Branch	Credit Procedure Violations	2	Decrease in Personal Grade
91.				Decrease in Personal Grade
92.	Branch	Fund Operational Violations	2	Statement of Dissatisfaction
93.	Branch	Fund Operational Violations	2	Written Reprimand
94.				Disrespectful Dismissal
95.	Branch	Fraud Related to Customer Funds	2	Disrespectful Dismissal
96.	Branch	Fraud Related to Customer Funds	1	Disrespectful Dismissal
97.	Branch	Fraud Related to Customer Funds	1	Disrespectful Dismissal
98.	Branch	Fund Operational Violations	1	Disrespectful Dismissal



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.

Period of Implementation

The Implementation Period is determined following the provisions of Registration Regulation No. I-A attached to the Decree of the Board of Directors of the Jakarta Stock Exchange No.Kep-305/BEJ/07-2004 dated July 19, 2004, namely a maximum of 2 (two) implementation periods per year with the provision that each implementation period will be open for 30 (thirty) Exchange days. The MESOP program will be implemented following the applicable laws and regulations.

Requirements for Employee and/or Entire Management

EMPLOYEE STOCK ALLOCATION (ESA)

ESA is a share allocation program for employees, in this program Bank Jatim provides a special allocation or percentage for employees to own Bank Jatim shares. The ESA program can be seen in several companies when they are about to conduct an Initial Public Offering (IPO). The price for implementing the ESA program is the same as the bid price at the time of the IPO.

The share allocation for the ESA program consists of:

- Award Shares, namely the provision of shares to employees as an Award.
- Certain Allotment Shares, namely the allocation of share ownership to employees in the form of purchasing certain shares of IPO according to the limit.

Participants who can be included in the share ownership program or ESA program are as follows:

- Employees who have worked for 1 (one) year starting from April 30, 2012.
- Not in the status of being sanctioned by position/suspension.

If the total shares allocated in the ESA program are not fully distributed, the remainder will be offered to the community. Provisions for the implementation of ESA program are as follows:

1. Award Shares
 - a. Distributed to all "Employees" at the cost of Bank Jatim.
 - b. The employees receive the shares freely at the time the Bank's shares are listed on the Indonesia Stock Exchange
 - c. Award Shares are provided amounting to 1 time Employee's salary
 - d. Employees are obliged to sign a statement of compliance with the provisions of ESA program. The requirements for receiving Award Shares are:
 - Has been worked for 1 (one) year as of April 30, 2012
 - Not in the status of being subject to office sanctions/ suspension
 - Allocation based on position
 - The award shares are subject to a "lockup" for 2 (two) years
 - During the lockup period when the employee resigns or is terminated due to administrative sanctions, the right to the Award Shares is null and void.
2. Certain Allotment Shares
 - a. Offered to all "Employees" to buy shares at IPO price. There is no obligation to buy.
 - b. Allotment must be worth 7 times Employee's salary
 - c. Employees who voluntarily buy their certain allotment shares, their account will be blocked for payment in cash on the date of the highest payment price
 - d. Requirements for buying Certain Allotment Shares::
 - Has worked for 1 (one) year starting from April 30, 2012
 - Not in the suspension status
 - Certain Allotment is as much as 7 times Employee's salary.
 - Certain Allotment Shares are subject to "Lock-up" for 3 months.

The procedures to obtain shares in the ESA program are as follows:

- For Award Shares, Program Participants will obtain a free allocation of Award Shares on the date of allotment of shares for the Initial Public Offering of the Bank's Shares. Program Participants will obtain a Share Allotment Confirmation Form
- For Certain Allotment Shares, Program Participants who wish to buy shares offered for the certain allotment submit an order for maximum Certain Allotment Shares in accordance with the amount allocated on behalf of the Participant. At the time of ordering the Certain Allotment Shares, Participants must provide full price payment funds in accordance with the amount ordered. Participants must provide power of attorney to PT Bahana Sekuritas to sign the Share Purchase Order

Form (FPPS) on behalf of the Ordering Party. On the date of allotment of shares, Participants will receive Confirmation of Shares Allotment on the Certain Allotment Shares ordered through the ESA program.

MANAGEMENT EMPLOYEE STOCK OPTION PLANS (MESOP)

The Management & Employee Stock Option Plan (MESOP) is a program established to grant option rights to the participants (optionee) to buy Bank's shares at the exercised price previously specified. The shares can be exercised in accordance with the specified exercised windows.

The exercise price of Option Rights will be determined based on Item V.2.2 of the Regulation of Registration No. I-A, Attachment of the Decree of Board of Directors of Jakarta Stock Exchange No. Kep-305/BEJ/07- 2004 dated July 19, 2004, which is at least 90% of the average closing price of the Bank's share trading on the Indonesian Stock Exchange, before the date of the Bank's notification to the Indonesia Stock Exchange concerning the opening of the Exercise Window Period for Option Rights in the MESOP Program.

Participants of the MESOP Program are as follow:

- Board of Commissioners, excluding Independent Commissioners
- Sharia Supervisory Board
- Members of Board of Directors who served at the time of issuance of Option Rights
- Structural Officers, including Division Heads, Main Branch Managers, Sub-Division Heads, Branch Managers, and Department Heads at Main Branch.
- Participants entitled to participate in the MESOP program are permanent employees registered as MESOP participants in accordance with the provisions of the Fifth Dictum paragraph (1) Decree No: 057/251/DIR/CSE/KEP regarding Procedures for Implementing the MESOP Program. This decision with the same position and/or level as well as above that, until the time of implementation of the MESOP program.
- Participants not entitled to participate in the MESOP program are employees who resign, dishonorably dismissed, or pass away.

The Option Rights in the MESOP Program will be issued in 3 Phases, name:

Table of MESOP Program Option Rights

Phase I	Up to 30% of the number of Option Rights that can be issued in the MESOP Program
Phase II	Up to 30% of the number of Option Rights that can be issued in the MESOP Program
Phase III	Up to 40% of the number of Option Rights that can be issued in the MESOP Program

Implementation Price or Implementation Price Determination

Bank Jatim has carried out the Management and Employee Stock Option Plans (MESOP) program since 2016 and ends in 2020 with an offering price of IDR450, IDR409 and IDR599. The number of shares issued for IDR409 was 3,163,900, and shares with a price

of IDR599 were 9,963,600 shares. So that the total paid-up capital on December 31, 2020, amounted to IDR3,753,874,520,500 or a value of 15,015,498,082 shares. In 2022, Bank Jatim will not carry out the Management and Employee Stock Option Plans (MESOP) program, so there will be no distribution of shares to either the Board of Commissioners, Directors, or executive officers.

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:

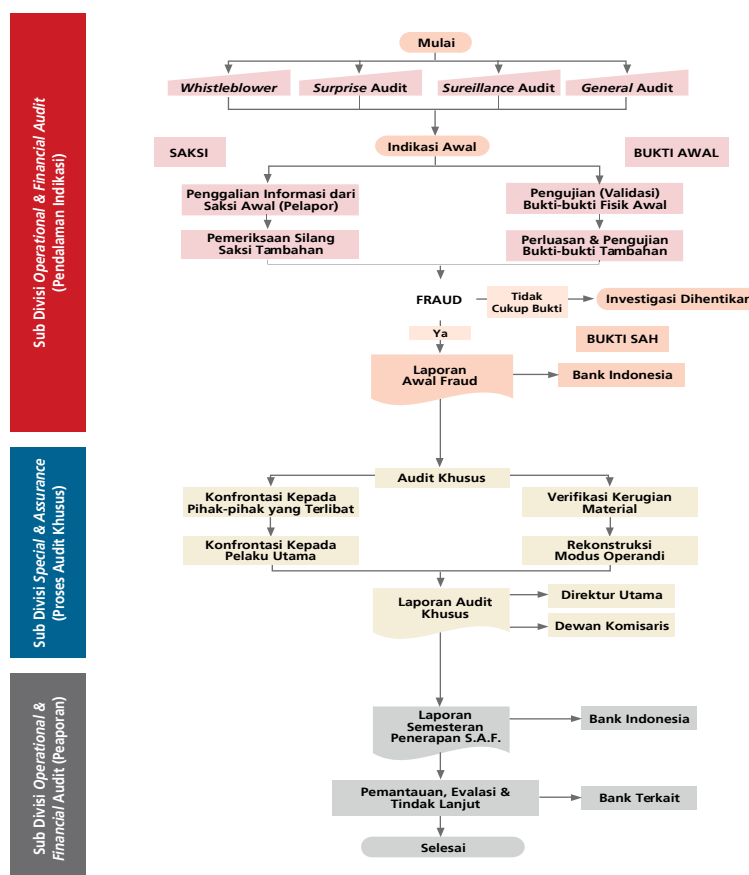
1. Reviewing information entered through the whistleblower or from the results of the examination of the Bank's internal audit team and collecting evidence of both physical evidence, information on the scene (other information) and summons of witnesses related to the type of irregularities that occurred 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 Employee Punishment Standard Operating Procedure (SOP), including warning letters, demotions to termination of employment depending on the type of violation that has been committed and the loss suffered.

Bank Jatim will continue to strive to increase the understanding and concern of employees and other parties to report violations through whistleblowing facilities so that they are expected to be able to create a clean and integrity work environment. In this regard, the following steps have been taken:

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

Flowchart Penerapan Strategi Anti Fraud



Types of Violations that can be Reported

There were 2 types of violations, namely violations of discipline and disciplinary violations related to violations of rules that were processed through the Human Capital Division and their actions in the form of Coaching, Mentoring and Counseling related to disciplinary violations, types of violations that could later be processed and deepened by the Internal Audit Division.

Management of Violation Reports

The complaint database from the whistleblower was under the authority and responsibility of the Internal Audit Division and for complaint information was the responsibility of the Operational & Financial Audit Sub Division.

Socialization of Whistleblowing System

Socialization of the Whistleblowing System is carried out simultaneously with socialization related to the implementation of anti-fraud strategies and at the exit meeting of audit results and employees including new employees.

Number of Complaints and Its Follow Up

In 2022 there will be 10 (ten) reports via whistleblower facilities with the following details:

No	Description	Number of Complaints
1.	Number of Complaints in 2022	10 Complaints
2.	Number of Complaints Processed	10 Complaints
3.	Number of Complaints That Have Been Completely Processed	8 Complaints
4.	Number of Unfinished Complaints Processed	2 Complaints

Sanctions/Follow Up on Complaints In 2022

Complaints that have been processed and proven are then given sanctions in accordance with the applicable provisions in the Standard Operating Procedure (SOP) for Bank Jatim Employee Punishment.

Completed Complaints Processed in 2021	Total	Sanctions/Follow Up
Proven	10	10
Not proven	0	0

Anti Corruption Program

Programs and Procedures in Overcoming Corruption, Kickbacks, Fraud, Bribery and/or Gratification Practices

Implementation of Anti-Fraud Strategy

In order to prevent cases of operational irregularities at the Bank, especially fraud that could harm customers or banks and the issuance of Financial Services Authority Regulation No. 39/POJK.03/2019, dated December 19, 2019, concerning implementing an Anti-fraud Strategy for Commercial Banks, it is necessary to increase the effectiveness of internal control to minimize fraud risk including implementing an anti-fraud strategy. The organizational system responsible for implementing the anti-fraud strategy at Bank Jatim is the Internal Audit Division.

The fraud control system has been implemented following the anti-fraud strategy guidelines following the Decree of the Board of Directors number 060/22/DIR/AUI/KEP dated January 28, 2021 concerning the Handbook for Implementing the Anti-Fraud Strategy of PT Bank Pembangunan Daerah Jawa Timur Tbk. Every fraud incident is of particular concern in resolving the case. The Bank's Management requires that all appropriate levels within the Bank's internal environment have concerns for anti-fraud. The anti-fraud concern is pursued continuously in the form of zero tolerance for fraud. In implementing the Anti-Fraud Strategy in the form of a Fraud control system, it includes 4 (four) interrelated pillars, namely Prevention, Detection, Investigation Reporting and Sanctions, Monitoring Evaluation, and Follow Up.

**Prevention**

The prevention pillar is part of the fraud control system that aims to include steps to reduce the potential risk of fraud, including anti-fraud awareness, identification of vulnerabilities and Know your employee

Detection

The detection pillar is part of the fraud control system which aims to contain steps to identify and find fraud in the Bank's business activities, including policies and mechanisms for whistleblowing, surprise audits, surveillance systems.

Reporting Investigations and Sanctions

The Investigation, Reporting and Sanctions Pillar is part of the fraud control system which aims to include steps for digging up information (investigation), reporting system, and imposition of sanctions for fraud in the Bank's business activities.

Monitoring Evaluation and Follow-up

The Monitoring Evaluation and Follow-up Pillar is part of the fraud control system which aims to include steps to monitor and evaluate fraud as well as follow-up mechanisms for frauds that occur.

The implementation of the four pillars takes into account the following:

1. Bank's internal and external environmental conditions
2. Complexity of business activities
3. Potential, types and risks of fraud
4. Adequacy of the required resources

The successful implementation of the overall antifraud strategy depends very much on the commitment and enthusiasm of the Board of Commissioners and Directors to foster a culture and anti-fraud concern at all levels of the Bank's organization. One of them is by making a written commitment called the AntiFraud Declaration signed by the Board of Commissioners, Directors and all employees of the Bank's organization.

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

Gratuity**Gratuity Control Management**

In order to create an anti-corruption culture, the Bank has established a Gratification Control Unit (UPG) as stipulated in Directors Decree No. 058/092/DIR/KPT/KEP dated March 11, 2019. The Gratification Control Unit (UPG) functions to control gratification in the Bank's work environment. The organizational structure of the Bank Jatim Gratification Control Unit (UPG) is as follows:

Position	Position on Team
President director	Trustees / Directors
Director of Compliance and Human Capital	Person responsible
Head of Compliance and Governance Division	Chairman
Head of the Human Capital Division	Vice Chairman
Head of Governance Sub Division	Secretary
Corporate Secretary	Member
Head of Internal Audit Division	Member
Head of the Legal Division	Member

As an effort to prevent corrupt practices, Bank Jatim implements the Gratification Control Program which refers to the provisions and procedures set by the Corruption Eradication Commission (KPK) including:

- 1) Internal and External Dissemination
 - a. Dissemination of anti-gratification message socialization media
 - b. Dissemination of gratification to internal and external parties
 - c. Participation in the implementation of gratification e-learning carried out by the Corruption Eradication Commission (KPK)
 - d. Participation in the implementation of gratuity technical guidance carried out by the Corruption Eradication Commission (KPK)
- 2) Identification and Mitigation of Gratification Prone Points
 - a. Identifying gratification-prone points and/or understanding the risk of gratification occurring in Bank activities, taking into account both internal and external factors.
 - b. Perform risk mitigation on the results of mapping/identification of gratuity-prone points.
- 3) Innovation of the Gratification Control Unit (UPG)
- 4) Handling of Gratification Reporting

Monitoring is periodically carried out by the Compliance & Governance Division as the Coordinator of the Gratification Control Unit (UPG) on the receipt of gratuities that occur in all work units. Furthermore, if there is receipt of gratuity, the Compliance & Governance Division forwards the report to the Corruption Eradication Commission (KPK).

The implementation of the Gratification Control Program (PPG) is reported regularly by the Gratification Control Unit (UPG) through the Compliance and Governance Division to the Corruption Eradication Commission through the website www.gol.kpk.go.id. For the implementation of the Gratification Control Program (PPG), Bank Jatim obtained a score of 92.91 with the following details:

No	Component	Score
Implementation (45%)		
1	Gratification Dissemination (30%)	
	- Diseminasi Internal	100
	- Diseminasi Eksternal	75
Total Score Indicator: 25,5		
2	Risk Identification and Risk Mitigation (30%)	
	- Identification of Risks/Points of Gratification	85
	- Risk Mitigation	80
Total Score Indicators: 24,75		
3	Innovation (40%)	85
Total Score Indicators: 34		
Reporting (55%)		
4	Gratification Reporting Handling (100%)	100
Gratification Reportin: 100		
Total Value of PPG Implementation 2022: 92,91		

Management of Assets Report Assets of the State Administrator (LHKPN)

Bank Jatim has implemented Reporting on State Officials' Wealth Reports (LHKPN) since 2018 based on Directors Decree No. 057/401/DIR/KPT/KEP dated December 31, 2018 concerning BPP LHKPN within PT Bank Jatim Tbk. As these provisions have been revoked and regulated in Decree of the Board of Directors No. 060/03/47/DIR/KPT/KEP dated November 25, 2021 concerning SOP for State Assets Report (LHKPN). In addition, Bank Jatim also has an LHKPN Management Unit (UPL) which was determined through Directors' Decree No. 059/258/DIR/KPT/KEP dated September 22, 2020 concerning the Appointment of Agency Admins and Admins of the E-LHKPN Application Management Work Unit within Bank Jatim.

In the context of Bank compliance with the commitment to complete LHKPN reporting to the KPK, UPL carries out socialization and assistance in filling out LHKPN to 63 (sixty three) Compulsory Reporters including the Board of Commissioners, Sharia Supervisory Board, Division Heads and Branch Heads. For this reason, Bank Jatim received an award from the KPK in terms of managing LHKPN in the category of activeness in submitting reports in a timely manner for a period of 4 (four) years. The award was handed over by the Deputy Chairman of the KPK to the Main Director of Bank Jatim at the peak of World Anti-Corruption Day (Hakordia) which was held in Jakarta on December 9, 2022.

Transactions Containing Conflict of Interest

Actions taken by Bank Jatim to address issues of corruption practices, specifically in Conflicts of Interest, have been regulated in Directors' Decree No. 059/222/DIR/KPT/KEP dated August 18, 2020. Those included as Conflicts of Interest include:

1. Gratification
2. Misappropriation of Assets
3. Misuse of confidential/important information
4. Position Traps
5. Granting special access that violates the procedure
6. Unprofessional supervision
7. Subjective and not independent assessment
8. Decision on licensing, allocation/budget, investment
9. Determination of partners (procurement)
10. Recruitment, hiring, performance appraisal
11. Use of information
12. Commercialization of public services

In its implementation, all Branch Offices and Divisions report Conflicts of Interest to the Compliance & Governance Division every quarter or incidentally, through the disclosure process and reporting mechanism as follows:

1. Disclosure of Conflict of Interest
 - a. If there is a conflict of interest, officials and/or employees who have a conflict of interest do not use their rights/authority in making decisions and are required to disclose the said conflict of interest.



- b. If there is a conflict of interest in the field of credit and/or operations at a branch office, officials and/or employees who have a conflict of interest do not use their rights/authority in making decisions.
 - c. If a conflict of interest occurs in an employee/officer according to their respective fields, the employee/official does not use his authority in making decisions and then the decision-making process is handed over to his superiors in stages.
 - d. If a decision still has to be taken, the official or employee involved in the decision-making process must prioritize the economic interests of the Bank from losses that may arise or the possibility of reducing the Bank's profits.
 - e. Required to disclose the condition of the conflict of interest which is attached to the Minutes of Meeting along with documentation containing considerations for making the decision.
2. Mechanism for Reporting Conflict of Interest
- a. Employees who are directly involved in the decision-making process through their superiors in stages are required to report situations/conditions that indicate a conflict of interest;
 - b. Disclosure of reports of incidental conflicts of interest, set forth in writing in the form of a letter attached to the minutes of meetings along with documentation containing considerations for decisions taken and addressed to the Head Office Cq. Compliance and Governance Division.
- c. The Division's conflict of interest report as referred to in point b, is coordinated by the Division Head.
 - d. The report on the conflict of interest of the Branch Office as referred to in point b, after receiving data from all office networks in the branch work area, is coordinated by the Head of Operations
 - e. Regarding the conflict of interest report received by the Compliance & Governance Division, the Compliance & Governance Division will then carry out an analysis. If from the results of the analysis carried out it is suspected that there is a Conflict of Interest, the Compliance & Governance Division will coordinate with the Internal Audit Division to examine whether there is a violation of the transaction containing the intended Conflict of Interest.
 - f. The results of the analysis and inspection as referred to in letters c and d will then be reported to the Main Director on a quarterly basis through the Report of the Director in charge of the Compliance Function

With the disclosure and reporting of the Conflict of Interest, the Bank can carry out mitigation as an initial step in preventing corruption practices. In this regard, in the 2022 period there were no transactions indicating a conflict of interest.

Anti-Corruption Training/Socialization to Employees

No.	Training/Socialization	Implementation Schedule
1.	Training on State Officials' Wealth Report (LHKPN) for the 2022 Reporting Year	January 10, 12, 14, 17, 18, 22 and 24, 2022
2.	Gratification Socialization	June 13, 2022

Total Internal Frauds and Remedies

Internal Fraud in 1 Year	Number of frauds committed (Internal)					
	Members of the Board of Commissioners and Members of the Directors		Permanent Employees		Non-Permanent Employees	
	Previous Year (2021)	Current Year (2022)	Previous Year (2021)	Current Year (2022)	Previous Year (2021)	Current Year (2022)
Total Fraud	-	-	21	14	4	2
Resolved	-	-	11	14	4	2
In the Settlement Process in the Bank's Internal	-	-	11	1	-	-
Not Resolved Yet	-	-	3	-	1	-
Has Been Followed Up Through Legal Process	-	-	-	2	-	1

Provision of Funding for Social and/or Political Activities

A description related to corporate social responsibility is submitted in the 2022 Sustainability Report. As for providing funds for political activities, during 2022, Bank Jatim will not provide funds for political activities or to political parties.

Provision of Funds to Related Parties and Provision of Large Funds

Descriptions regarding Provision of Funds to Related Parties and Provision of Large Funds are presented in the Management Analysis and Discussion Chapter in this Annual Report.

Bank Strategic Plan

A description of the Bank's Strategic Plan is presented in the Management Discussion and Analysis Chapter in this Annual Report.

Share Buyback and Bond Buyback

During 2022, the Company will not carry out share buybacks and bond buybacks.

Internal Disputes

During 2022 there were no internal disputes caused by the remuneration policy.

Prevention of Insider Trading

Provisions governing Insider Trading actions are regulated in the Guidelines for Implementing Investor Relations Corporate Secretary Chapter V, namely 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 2022, Bank Jatim will not have Insider Trading.

Transparency of Financial and Nonfinancial Conditions

Bank Jatim has fulfilled its obligation to Bank Indonesia to conduct transparency of financial and non-financial conditions in accordance with applicable regulations, publication of information submission through print media and the Bank's website as follows:

1. Monthly and Quarterly Financial Statements that have been submitted and published to the Regulator and on the Bank's website.
2. Annual Reports that have been submitted and published to the Regulator and on the Bank's website.
3. Corporate Governance Information such as:
 - a. Vision and mission of the Bank
 - b. Composition and Profile of the Board of Commissioners and Board of Directors
 - c. Guidelines and Rules of Committee
 - d. Corporate Governance Practices
4. Information on Bank's Products and Services such as e-forms of credit along with a wide spread of Office Networks making it easier for customers, investors to access such information.
5. Information that aims to educate customers such as banking services, banking mediation, customer complaints mechanisms, banking security tips and magazines/bulletins for Bank Jatim which can be downloaded via the Company's website.



Implementation of Public Company

Governance Guidelines

No	Aspect; Principle; Recommendation	Comply or Explain
A.	Aspect 1: Public Company Relations with Shareholders in Guaranteeing Shareholders' Rights.	
A.1.	Principle 1: Increasing the value of holding a General Meeting of Shareholders (GMS).	
A.1.1.	<p>Recommendation 1: Public companies have voting methods or technical procedures both open and closed that promote independence and the interests of shareholders.</p> <p>Explanation: Every share with voting rights issued has one voting right (one share one vote). Shareholders can use their voting rights when making decisions, especially when making decisions by voting. However, the decision-making mechanism by way of open and closed voting has not been regulated in detail.</p> <p>Public companies are recommended to have a voting procedure in making decisions on a GMS agenda. The voting procedure must maintain the independence or freedom of shareholders. For example, in open voting, voting is carried out by raising hands in accordance with the choice instructions offered by the chairman of the GMS. Meanwhile, closed voting is carried out for decisions that require secrecy or at the request of shareholders, by using a ballot card or by using electronic voting.</p>	<p>Comply</p> <p>Bank Jatim has procedures for the General Meeting of Shareholders (GMS) which are regulated in the Company's Articles of Association Deed number 95 dated May 31, 2021.</p> <p>Each shareholder is only given 1 (one) vote, representing the entire number of shares he owns. Vote counting will be carried out using a "raise hand and hand over voting rights" mechanism. Or by conducting electronic voting via eASY.KSEI</p>
A.1.2.	<p>Recommendation 2: All members of the Board of Directors and members of the Public Company's Board of Commissioners attend the Annual GMS.</p> <p>Explanation: The purpose of the presence of all members of the Board of Directors and members of the Board of Commissioners of the Public Company is that each member of the Board of Directors and Board of Commissioners can observe, explain, and answer directly the problems that occur or questions raised by shareholders regarding the agenda at the GMS.</p>	<p>Comply</p> <p>At the 2021 Fiscal Year GMS, all members of the Board of Directors and Board of Commissioners were present.</p>
A.1.3.	<p>Rekomendasi 3: The summary of the minutes of the GMS is available on the Public Company Website for at least 1 (one) year.</p> <p>Explanation: Based on the provisions in Article 34 paragraph (2) of the Financial Services Authority Regulation Number 32/POJK.04/2014 concerning the Plan and Implementation of a Public Company General Meeting of Shareholders, the Public Company is required to make a summary of the minutes of the GMS in Indonesian and foreign languages (at least in in English), as well as announced 2 (two) working days after the GMS is held to the public, one of which is through the Public Company Website. Availability of the summary of the minutes of the GMS on the Public Company Website provides an opportunity for shareholders who are not present to obtain important information in holding the GMS easily and quickly. Therefore, the provision regarding the minimum period for the availability of the summary of the minutes of the GMS on the Website is intended to provide sufficient time for shareholders to obtain such information.</p>	<p>Comply</p> <p>The minutes of the AGMS and EGMS in Indonesian and English are available on the Website and can be downloaded until the 2021 fiscal year and the 2022 EGMS.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
A.2.	Principle 2: Improving the Quality of Public Company Communication with Shareholders or Investors.	
A.2.1.	<p>Recommendation 4: Public companies have a communication policy with shareholders or investors.</p> <p>Explanation: The existence of communication between a Public Company and shareholders or investors is intended so that shareholders or investors get a clearer understanding of information that has been published to the public, such as periodic reports, information disclosure, business conditions or prospects and performance, as well as the implementation of corporate governance Open. Besides that, shareholders or investors can also submit input and opinions to the management of the Public Company.</p> <p>The communication policy with shareholders or investors shows the Public Company's commitment to communicating with shareholders or investors. The policy may include strategies, programs and timing of communications, as well as guidelines that support shareholders or investors to participate in these communications.</p>	<p>Comply</p> <p>Bank Jatim has a Communication Policy with shareholders or investors as stipulated in the Directors Decree number 056/209/DIR/CSE/KEP regarding BPP Investor Relations.</p>
A.2.2.	<p>Recommendation 5: Public Companies disclose their communication policies with shareholders or investors on the Website.</p> <p>Explanation: Disclosure of communication policy is a form of transparency of the Public Company's commitment to provide equality to all shareholders or investors in the implementation of communication. Disclosure of this information also aims to increase the participation and role of shareholders or investors in the implementation of public company communication programs.</p>	<p>Comply</p> <p>The Communication Policy with Investors as described in recommendation 4 can be accessed by the public through the Bank Jatim website at the following link: https://www.bankjatim.co.id/id/tata-kelola-company/kebijakan</p>
B.	Aspect 2: Functions and Roles 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: Determining the number of members of the Board of Commissioners takes into account the condition of the Public Company.</p> <p>Explanation: The number of members of the Board of Commissioners can affect the effectiveness of carrying out the duties of the Board of Commissioners. Determination of the number of members of the Public Company Board of Commissioners must refer to the provisions of the applicable laws and regulations, which consists of at least 2 people based on the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Issuers or Public Companies. In addition, it is also necessary to consider the condition of the Public Company which includes among other things the characteristics, capacity and size, as well as the achievement of goals and the fulfillment of different business needs among Public Companies. However, the number of members of the Board of Commissioners that is too large has the potential to disrupt the effectiveness of the implementation of the Board of Commissioners' functions.</p>	<p>Comply</p> <p>Determination the Board of Commissioners members of Bank Jatim has taken into the conditions of the Public Company including the number of assets, achievement of company performance, vision mission, goals and strategic directions, and also the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning Directors and Board of Commissioners of Public Companies. This number has also been adjusted to the number of Board of Directors members, as well as the effectiveness of the implementation of the Board of Commissioners' supervisory function.</p>



No	Aspect; Principle; Recommendation	Comply or Explain
B.1.2.	<p>Recommendation 7: Determining the composition of members of the Board of Commissioners takes into account the diversity of skills, knowledge and experience required.</p> <p>Explanation: The composition of the Board of Commissioners is a combination of characteristics both in terms of the organs of the Board of Commissioners and individual members of the Board of Commissioners, in accordance with the needs of the Public Company. These characteristics can be reflected in the determination of the expertise, knowledge and experience needed in carrying out supervisory and advisory duties by the Board of Commissioners of the Public Company. The composition that has taken into account the needs of the Public Company is a positive thing, especially regarding decision making in the context of implementing the supervisory function which is carried out by considering a wider variety of aspects.</p>	<p>Comply</p> <p>Referring to Deed Number 22 dated February 20, 2018 regarding the Minutes of the Annual Shareholders Meeting (GMS) for the 2017 Fiscal Year, "The Remuneration and Nomination Committee has screened Bank Jatim internal candidates, as well as from external parties using the following criteria assessment: integrity, competence, understanding of banking and macroeconomics, understanding of the East Java economic condition, internal and external banking provisions.</p>
B.2.	Principle 4: Improving the Quality of Implementation of Duties and Responsibilities of the Board of Commissioners.	
B.2.1.	<p>Recommendation 8: The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.</p> <p>Explanation: The Board of Commissioners' self-assessment policy is a guideline used as a form of accountability for assessing the collegial performance of the Board of Commissioners. The intended self-assessment or self-assessment is carried out by each member to assess the collegial performance of the Board of Commissioners, and not to assess the individual performance of each member of the Board of Commissioners. With this self-assessment, it is hoped that each member of the Board of Commissioners can contribute to improving the performance of the Board of Commissioners on an ongoing basis.</p> <p>In this policy, it can include assessment activities carried out along with their aims and objectives, time for implementation on a regular basis, and benchmarks or assessment criteria used in accordance with the recommendations given by the nomination and remuneration function of the Public Company, where this function is required in the Authority Regulation. Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>	<p>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 Board of Commissioners Decree Number 059/009/DK/KEP dated 22 December 2020 concerning Amendments to the Board of Commissioners Decree Number 059/005/DK/KEP dated April 29, 2020 concerning the Working Paper for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk.</p>
B.2.2.	<p>Recommendation 9: Self-assessment policy to assess the performance of the Board of Commissioners, disclosed through the Public Company Annual Report.</p> <p>Explanation: Disclosure of the self-assessment policy on the performance of the Board of Commissioners is carried out not only to fulfill the aspect of transparency as a form of accountability for the implementation of their duties, but also to provide confidence especially to shareholders or investors regarding the efforts that need to be made to improve the performance of the Board of Commissioners. With this disclosure, shareholders or investors know the check and balance mechanism on the performance of the Board of Commissioners.</p>	<p>Comply</p> <p>The Guidelines for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk are disclosed in the Annual Report.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
B.2.3.	<p>Recommendation 10: The Board of Commissioners has a policy regarding the resignation of members of the Board of Commissioners if they are involved in financial crimes.</p> <p>Explanation: The policy of resigning members of the Board of Commissioners who are involved in financial crimes is a policy that can increase stakeholder confidence in a Public Company, so that the integrity of the company will be maintained. This policy is needed to help smooth the legal process and so that the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy builds an ethical culture within the Public Company. These policies can be included in the Guidelines or Code of Ethics that apply to the Board of Commissioners.</p> <p>Furthermore, what is meant by being involved in a financial crime is the existence of a convict status against a member of the Board of Commissioners from the competent authority. Financial crimes referred to include manipulation and various forms of embezzlement in financial service activities as well as Money Laundering Crimes as referred to in Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes.</p>	<p>Explain</p> <p>The resignation policy for the Board of Commissioners only if the person concerned is a state official who is a member of the Board of Commissioners, then the person concerned is required to resign from his position in government, who is involved in financial crimes is a policy that can increase stakeholder confidence in a Public Company.</p>
B.2.4.	<p>Recommendation 11: The Board of Commissioners or Committees that carry out the Nomination and Remuneration functions develop a succession policy in the Nomination process for members of the Board of Directors.</p> <p>Penjelasan: Based on the provisions of the Financial Services Authority Regulation Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies, the committee that carries out the nomination function has the duty to develop the policies and criteria needed in the nomination process for candidates for members of the Board of Directors. One of the policies that can support the Nomination process as intended is the succession policy for members of the Board of Directors. The policy regarding succession aims to maintain the continuity of the process of regeneration or regeneration of leadership in the company in order to maintain business continuity and the company's long-term goals.</p>	<p>Comply</p> <p>In carrying out the Nomination function for Candidates for Directors, in accordance with the Financial Services Authority Regulation Number 34/POJK.04/2014, the Board of Commissioners through the Remuneration and Nomination Committee has developed the policies and criteria needed in the Nomination process for prospective members of the Board of Directors in accordance with the Decree of the Board of Commissioners Number 061/ 03/07/DKM/KEP Date 03 October 2022.</p>
C.	Aspect 3: Functions and Roles of the Board of Directors	
C.1.	Principle 5: Strengthening the Membership and Composition of the Board of Directors.	
C.1.1.	<p>Recommendation 12: Determining the number of members of the Board of Directors takes into account the condition of the Public Company and effectiveness in decision making.</p> <p>Explanation: As a company organ that is authorized to manage the company, the determination of the number of Directors greatly influences the performance of the Public Company. Thus, the determination of the number of members of the Board of Directors must be carried out through careful consideration and must refer to the provisions of the applicable laws and regulations, which are based on the Financial Services Authority Regulation Number 33/POJK.04/2014 concerning the Directors and Board of Commissioners of Issuers or Public Companies at least consists of 2 (two) people. Besides that, the determination of the number of Directors must be based on the need to achieve the goals and objectives of the Public Company and adjusted to the conditions of the Public Company which includes the characteristics, capacity and size of the Public Company and how the Board of Directors' decision-making effectiveness is achieved.</p>	<p>Comply</p> <p>The determination of the Board of Directors members, totaling 7 (seven) Directors with the current composition of 6 (six) people, has taken into considering the condition of the Company and the provisions of the Financial Services Authority Regulation Number 33/POJK.04/2014 regarding the Directors and Board of Commissioners of Issuers or Public Companies as well as the effectiveness decision-making carried out by the Board of Directors. This amount has also been adjusted to the members of Board of Commissioners, which currently 5 (five) member.</p>



No	Aspect; Principle; Recommendation	Comply or Explain
C.1.2.	<p>Recommendation 13: Determining the composition of members of the Board of Directors takes into account the diversity of expertise, knowledge and experience required.</p> <p>Explanation: Like the Board of Commissioners, the diversity in the composition of the members of the Board of Directors is a combination of desired characteristics both in terms of the organs of the Board of Directors and individual members of the Board of Directors, in accordance with the needs of a Public Company. The combination is determined by taking into account the appropriate expertise, knowledge and experience in the division of duties and functions of the Board of Directors in achieving the goals of the Public Company. Thus, consideration of the combination of characteristics referred to will have an impact on the accuracy of the nomination process and collegial appointment of individual members of the Board of Directors or the Board of Directors.</p>	<p>Comply</p> <p>The determination of the composition Board of Directors member has taken into account the diversity of skills, knowledge and experience required. Board of Directors member who are appointed at the GMS have met the requirements set out, including the general requirements and special requirements as stipulated in the Articles of Association and Standard Operating Procedure (SOP) for the Selection and/or Replacement of the Board of Commissioners and Board of Directors member. Board of Directors members have also obtained approval from the Financial Services Authority regarding the results of the fit and proper test as stipulated based on the Decree of Members of the Board of Commissioners of the Financial Services Authority.</p>
C.1.3.	<p>Recommendation 14: Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in accounting.</p> <p>Explanation: The Financial Report is a management accountability report on the management of resources owned by a Public Company, which must be prepared and presented in accordance with generally accepted Financial Accounting Standards in Indonesia as well as related OJK regulations, including laws and regulations in the Capital Market sector which regulates the presentation and disclosure of Public Company Financial Statements. Pursuant to laws and regulations in the Capital Markets sector governing the responsibilities of the Board of Directors for Financial Statements, the Board of Directors is jointly and severally responsible for the Financial Statements, which are signed by the President Director and members of the Board of Directors in charge of accounting or finance.</p> <p>Thus, the disclosure and preparation of financial information presented in the financial statements will depend heavily on the expertise and/or knowledge of the Board of Directors, particularly members of the Board of Directors in charge of accounting or finance. The qualifications of expertise and/or knowledge in accounting that at least belong to the said members of the Board of Directors can provide confidence in the preparation of the Financial Statements, so that the Financial Statements can be relied on by stakeholders as a basis for making economic decisions regarding the Public Company in question. Such expertise and/or knowledge can be proven by educational background, training certification, and/or related work experience.</p>	<p>Comply</p> <p>Finance Director Profile</p> <p>1. Name : Ferdian Timur Satyagraha (2017-2022) Education : <ul style="list-style-type: none"> - Bachelor's Degree, Finance, Deakin University Tahun 2003 - Master's Degree, Business/Commerce Deakin University Tahun 2006 </p> <p>2. Name : Edi Masrianto (2022- present) Education : <ul style="list-style-type: none"> - Bachelor of Management Economics, University of Jember, 1989 - Masters in Agribusiness Management, Gajah Mada University, 2004 </p> <p>Members of the Board of Directors in charge of accounting or finance have expertise and/or knowledge in accounting.</p> <p>The Board of Directors has submitted financial reports at the Annual GMS and obtained approval from the GMS.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
C.2.	Principle 6: Improving the Quality of the Implementation of the Board of Directors' Duties and Responsibilities.	
C.2.1.	<p>Recommendation 15: The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors.</p> <p>Explanation: Like the Board of Commissioners, the Board of Directors' self-assessment policy is a guideline used as a form of accountability for evaluating the performance of the Board of Directors collegially. The intended self-assessment or self-assessment is carried out by each member of the Board of Directors to assess the collegial performance of the Board of Directors, and not to assess the individual performance of each member of the Board of Directors. With this self-assessment, it is hoped that each member of the Board of Directors can contribute to improving the performance of the Board of Directors on an ongoing basis.</p> <p>This policy may include assessment activities carried out along with their aims and objectives, the time of implementation on a regular basis, and the benchmarks or assessment criteria used in accordance with the recommendations given by the nomination and remuneration function of the Public Company, where the formation of this function is required in the Authority Regulation. Financial Services Number 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies.</p>	<p>Comply</p> <p>The Board of Directors has a self-assessment policy to assess the performance of the Board of Directors which is regulated in the Decree of the Board of Directors number 059/229/DIR/PRS/KEP dated September 7, 2020 concerning Guidelines for Implementation of Performance Management for PT Bank Pembangunan Daerah Jawa Timur Tbk.</p>
C.2.2.	<p>Recommendation 16: The self-assessment policy to assess the performance of the Board of Directors is disclosed in the Public Company's annual report.</p> <p>Explanation: Disclosure of the self-assessment policy on the performance of the Board of Directors is carried out not only to fulfill the transparency aspect as a form of accountability for carrying out their duties, but also to provide important information for improvement efforts in the management of the Public Company. This information is very useful in giving confidence to shareholders or investors that there is certainty that the management of the company will continue to be carried out in a better direction. With this disclosure, shareholders or investors know the check and balance mechanism on the performance of the Board of Directors.</p>	<p>Comply</p> <p>Performance Assessment of the Board of Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk. disclosed in the Annual Report.</p>
C.2.3.	<p>Recommendation 17: The Board of Directors has a policy regarding the resignation of members of the Board of Directors if they are involved in financial crimes.</p> <p>Explanation: The policy of resigning members of the Board of Directors who are involved in financial crimes is a policy that can increase stakeholder confidence in a Public Company, so that the integrity of the company will be maintained. This policy is needed to help smooth the legal process and so that the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy will build an ethical culture within the Public Company. These policies can be included in the Guidelines or Code of Ethics that apply to the Board of Directors.</p> <p>Furthermore, what is meant by being involved in a financial crime is the existence of a convict status against a member of the Board of Directors from the competent authority. Financial crimes include manipulation and various forms of embezzlement in financial service activities as well as money laundering as referred to in Law Number 8 of 2010 concerning Prevention and Eradication of Money Laundering Crimes.</p>	<p>Comply</p> <p>The resignation policy for Board of Directors members is regulated in the Articles of Association and Work Guidelines for the Board of Directors. The Articles of Association and Work Guidelines for the Board of Directors also stipulate provisions related to the termination of the positions of members of the Board of Directors and dismissal of members of the Board of Directors.</p> <p>The Ethical Culture Policy has been regulated in the Board of Directors Decree Number 060/019/DIR/PRS/KEP dated January 21, 2021 concerning Guidelines for the Implementation of Behavior, Work Ethics and Business of PT Bank Pembangunan Daerah Jawa Timur Tbk.</p>



No	Aspect; Principle; Recommendation	Comply or Explain
D.	Aspect 4: Stakeholder Participation	
D.1.	Principle 7: Improving Corporate Governance Aspects through Stakeholder Participation.	
D.1.1.	<p>Recommendation 18: Public Company has a policy to prevent insider trading.</p> <p>Explanation: A person who has inside information is prohibited from engaging in a Securities transaction using inside information as referred to in the Law on Capital Markets. Public companies can minimize the occurrence of insider trading through prevention policies, for example by strictly separating confidential data and/or information from public ones, and dividing the tasks and responsibilities for managing the said information proportionally and efficiently.</p>	<p>Comply</p> <p>The Bank has a policy to prevent insider trading as outlined in Directors Decree 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.</p> <p>Bank Jatim has a policy to prevent insider trading which is regulated in the Decree 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 Companies have anti-corruption and anti-fraud policies.</p> <p>Explanation: The anti-corruption policy is useful to ensure that the Public Company's business activities are carried out legally, prudently, and in accordance with the principles of good governance. The policy can be part of the code of ethics, or in a separate form. This policy may include, among other things, programs and procedures carried out in dealing with corruption practices, kickbacks, fraud, bribery and/or gratuities in a public company. The scope of the policy must describe the prevention of the Public Company from all corrupt practices, whether giving or receiving from other parties.</p>	<p>Comply</p> <p>The Bank has several policies related to Corruption Prevention, including the Implementation of Anti-Fraud Strategies, State Officials Wealth Reports (LHKPN), Work and Business Ethics (Code of Conduct), Guidelines for Conflicts of Interest, Employee Discipline Regulations, Guidelines for Code of Ethics Market, as well as Guidelines for Obligation to Maintain Confidentiality of Data and Information. In addition to having this policy, Bank Jatim also implements corruption prevention through the implementation of the Gratification Control Program</p>
D.1.3.	<p>Recommendation 20: Public Company has a policy regarding the selection and capacity building of suppliers or vendors.</p> <p>Explanation: Policies regarding supplier or vendor selection are useful for ensuring that a Public Company obtains the goods or services it needs at competitive prices and good quality. Meanwhile, supplier or vendor capacity building policies are useful for ensuring that the supply chain runs efficiently and effectively. The ability of suppliers or vendors to supply/fulfill the goods or services required by the company will affect the quality of the company's output.</p> <p>Thus, the implementation of these policies can guarantee the continuity of supply, both in terms of quantity and quality required by the Public Company. The scope of this policy includes criteria for selecting suppliers or vendors, transparent procurement mechanisms, efforts to increase the capacity of suppliers or vendors, and fulfillment of rights related to suppliers or vendors.</p> <p>The Company has a policy regarding the procurement of goods and services which contains the selection and capacity building of suppliers or vendors as stipulated in the Procurement Guidelines standard.</p>	<p>Comply</p> <p>Bank Jatim has a policy regarding the procurement of goods and services which is regulated in the Decree of the Directors number 060/03/34/DIR/UMM/KEP dated October 04, 2021 concerning SOP for Procurement of Goods or Services.</p>

No	Aspect; Principle; Recommendation	Comply or Explain
D.1.4.	<p>Recommendation 21: Public companies have a policy on fulfilling creditors' rights.</p> <p>Explanation: The policy on fulfilling creditors' rights is used as a guide in making loans to creditors. The purpose of the intended policy is to maintain the fulfillment of rights and maintain creditors' trust in the Public Company. The policy includes considerations in entering into agreements, as well as follow-up in fulfilling the obligations of the Public Company to creditors.</p>	<p>Comply</p> <p>Policies regarding the fulfillment of creditor rights, one of which is related to the Credit Agreement, are contained in the Decree of the Directors Number 061/03/26/DIR/OPR/KEP dated July 1, 2022 concerning Standard Operating Procedures for Operational Credit or Financing. This provision stipulates that a Credit Agreement or Financing Agreement (PK/AP) is a written loan-borrowing agreement between the Bank (as a creditor) and another party (as a debtor) which regulates the rights and obligations of the parties as a result of borrowing and borrowing money. The contents of the Credit or Financing Agreement include terms and conditions which are the wishes of the parties regarding their rights and obligations.</p>
D.1.5.	<p>Recommendation 22: Public companies have a whistleblowing system policy.</p> <p>Explanation: A well-developed whistleblowing system policy will provide certainty of protection for witnesses or reporters of an indication of violations committed by employees or management of the Public Company. The implementation of these system policies will have an impact on the formation of a culture of good corporate governance. The whistleblowing system policy includes, among other things, types of violations that can be reported through the whistleblowing system, methods of complaint, protection and guarantee of confidentiality of reporters, handling of complaints, parties managing complaints, and the results of complaints handling and follow-up.</p>	<p>Comply</p> <ol style="list-style-type: none"> 1. The Public Company already has a whistleblowing system policy which is clearly disclosed in the Board of Directors Decree Number 060/22/DIR/AUI/KEP dated January 28, 2021 concerning Guidelines for Implementation of the Anti-Fraud Strategy of PT. East Java Regional Development Bank Tbk 2. Based on Directors Decree Number 061/03/60/DIR/AUI/KEP dated December 27, 2022 concerning SOP for Internal Audit Activities.
D.1.6.	<p>Recommendation 23: Public companies have a policy of providing long-term incentives to Directors and employees.</p> <p>Explanation: Long-term incentives are incentives based on achieving long-term performance. The long-term incentive plan has the premise that the company's long-term performance is reflected by the growth in the value of the company's shares or other long-term targets. Long-term incentives are useful in order to maintain loyalty and provide motivation to the Board of Directors and employees to improve their performance or productivity which will have an impact on increasing the company's performance in the long term.</p> <p>The existence of a long-term incentive policy is a real commitment of the Public Company to encourage the implementation of long-term incentives for Directors and Employees with conditions, procedures and forms that are adjusted to the long-term objectives of the Public Company. The intended policy may include, among other things, the intent and purpose of providing long-term incentives, the conditions and procedures for granting incentives, and the conditions and risks that must be considered by the Public Company in granting incentives. This policy can also be included in the existing Public Company remuneration policy.</p>	<p>Comply</p> <p>The Public Company has a policy of providing Long-term incentives to the Board of Directors which is disclosed in the Decree of the Board of Commissioners No. 061/03/06/DKM/KEP dated August 25, 2022 concerning Standard Operating Procedures for Implementing Governance of Remuneration for Management and Their Facilities PT Bank Pembangunan Daerah Jawa Timur Tbk.</p> <p>The Public Company has a policy of providing Long-term incentives to Employees which is disclosed in the Decree of Directors No. 061/03/29/DIR/HCP/KEP dated July 18, 2022 concerning Standard Operating Procedure Total Reward PT Bank Pembangunan Daerah Jawa Timur Tbk.</p>



No	Aspect; Principle; Recommendation	Comply or Explain
E.	Aspect 5: Information Disclosure	
E.1.	Principle 8: Improving the Implementation of Information Disclosure.	
E.1.1.	<p>Recommendation 24: Public Companies take advantage of the use of information technology more broadly besides Websites as a medium for information disclosure.</p> <p>Explanation: The use of information technology can be useful as a medium for information disclosure. The disclosure of information that is carried out is not only disclosure of information that has been regulated in laws and regulations, but also other information related to Public Companies that are felt to be useful for the knowledge of shareholders or investors. By using information technology more broadly besides the Website, it is hoped that the company can increase the effectiveness of disseminating company information. Even so, the use of information technology is carried out while still taking into account the company's benefits and costs.</p>	<p>Comply</p> <p>The Bank utilizes information technology more broadly besides the Website as a medium for information disclosure which increases the effectiveness of the dissemination of such information, including the following:</p> <ul style="list-style-type: none"> • Instagram @Bank Jatim • Facebook @Bank Jatim • Twitter @Bank Jatim • Youtube @Bank Jatim <p>Social Media Decree PT Bank Pembangunan Daerah Jawa Timur, Tbk Number 060/256/DIR/CSE/KEP dated August 31, 2021 and BPP Public Realition Number 059/148/DIR/CSE/KEP dated June 8, 2020</p>
E.1.2.	<p>Recommendation 25: The Public Company Annual Report discloses the ultimate beneficial owner in the Public Company share ownership of at least 5% (five percent), in addition to disclosing the ultimate beneficial owner in the Public Company share ownership through the main and controlling shareholders.</p> <p>Explanation: Laws and regulations in the Capital Markets sector governing the submission of the Public Company's annual report have regulated the obligation to disclose information regarding shareholders who own 5% (five percent) or more shares of the Public Company, as well as the obligation to disclose information regarding major and controlling shareholders Public Company either directly or indirectly up to the last beneficiary in the ownership of the shares. In this Governance Guidelines it is recommended to disclose the ultimate beneficial owner of share ownership of a Public Company of at least 5% (five percent), in addition to disclosing the ultimate beneficial owner of share ownership by the main and controlling shareholders.</p>	<p>Comply</p> <p>The ultimate beneficial owner of the shares which amount to at least 5% is the Controlling Shareholder which is the Government of East Java Province.</p>

Governance Principles for Banks Issued by The Basel Committee In Banking Supervision

The Governance Guidelines covered 12 principles of corporate governance. Governance Guidelines are best practice standards that can be used as a reference in the implementation of corporate governance in banking. The description of its application can be conveyed as follows.

Principle	Explanation	Implementation at Bank Jatim
Principle 1 Responsibilities of the Board of Commissioners.	The Board of Commissioners has responsibilities which include: approval and supervision of the implementation of business strategy, structure and governance mechanisms and corporate culture	<p>The Board of Commissioners has carried out its responsibilities accordingly with the conditions 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 concerning Work Guidelines for the Board of Commissioners - Decree of the Board of Commissioners Number 059/009/DK/KEP dated December 22 , 2020 concerning Working Paper for the Performance Assessment of the Board of Commissioners of PT Bank Pembangunan Daerah Jawa Timur Tbk. <p>One of them is the Board of Commissioners providing opinions and suggestions on the Annual Work Plan and Budget and providing advice on matters considered important by the Company.</p>

Principle	Explanation	Implementation at Bank Jatim
Principle 2 Qualifications and Composition of the Board of Commissioners.	Members of the Board of Commissioners must have quality in accordance with their duties and responsibilities, both individually and collegially. The Board of Commissioners must understand its role in supervising and implementing corporate governance, and being able to carry out sound and objective decision-making.	The Board of Commissioners of Bank Jatim has fulfilled the qualifications and composition in accordance with applicable regulations. This is also regulated in the Bank's internal provisions SK Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning Work Guidelines for the Board of Commissioners. One of the components that has been fulfilled is that the Board of Commissioners of Bank Jatim has no financial relationship, management relationship, share ownership and/or family relationship with other members of the Board of Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which may affect the ability of those concerned to act independently as stipulated in the provisions on the Implementation of Good Corporate Governance for Commercial Banks and have signed a Statement of Independence.
Principle 3 Structure and Mechanism of the Board of Commissioners.	The Board of Commissioners must establish appropriate governance structures and practices in carrying out their duties and periodically review their effectiveness.	The Board of Commissioners has Committees under the Board of Commissioners that assist the implementation of the duties of the Board of Commissioners, namely the Audit Committee, the Remuneration and Nomination Committee and the Risk Monitoring Committee. This has also been accommodated in Bank Jatim internal provisions Decree of the Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning Work Guidelines for the Board of Commissioners.
Principle 4 Directors.	Under the direction and supervision of the Board of Commissioners, the Board of Directors is able to manage the Bank's activities in accordance with the business strategy, risk appetite, remuneration policies and other policies that have been approved by the Board of Commissioners.	The Board of Directors manages the Company under the direction and supervision of the Board of Commissioners as reflected in the Governance Structure of Bank Jatim Directors Decree Number 061/218/DIR/PRS/KEP December 7 2022.
Principle 5 Business Group Governance Structure.	Within a business group, the Board of Commissioners of the parent company has overall responsibility for the business group and for ensuring the establishment and implementation of clean governance practices related to the structure, business and risks of business groups and entities. The Board of Commissioners and Directors must understand the organizational structure of the business group and the risks it faces.	The Board of Directors and Board of Commissioners of Bank Jatim have knowledge and understanding of the company's main business and main risks, as evidenced by the passage of the entire Board of Commissioners and Directors from the Fit and Proper Test. The Board of Directors and Board of Commissioners also regularly participate in training and development to improve their capabilities. This is regulated in Bank Jatim internal provisions: - Decree of the Board of Directors Number 060/044/DIR/CSE/KEP dated February 9, 2021 concerning Work Guidelines for the Board of Directors. - Decree of the Board of Commissioners Number 060/01/DK/KEP dated January 15, 2021 concerning Work Guidelines for the Board of Commissioners.
Principle 6 Risk Management Function.	Banks must have a quality risk management function, be independent, have quality resources and have access to the Board of Commissioners.	Bank Jatim runs the Process of Identification, Measurement, Monitoring, Risk Control and Risk Management Information Systems. Bank Jatim always improves the capabilities and knowledge of all employees, especially in terms of risk management, by organizing internal training, socialization which is in line with the internalization of corporate culture. As well as communicating risk management to the Board of Commissioners through the Risk Monitoring Committee.
Principle 7 Identification of Risk Monitoring and Control.	Risks must be identified, monitored and controlled for all activities of the Bank. The quality of the risk management and internal control infrastructure must be able to keep up with changes in the Bank's risk profile, external risk conditions and industry practices.	In the management of Bank Jatim Risk Management identification, measurement and risk assessment have been carried out, compiling a risk profile. Risk measurement and assessment is in accordance with established policies and adjusts to the level of risk faced by Bank Jatim.
Principle 8 Risk Communication	Effective implementation of risk governance requires accurate risk communication within the Bank both between organizations and through reporting to the Board of Commissioners and Directors.	Submission of risk profiles is submitted quarterly and Bank Soundness Level every semester to the Board of Directors through the Risk Management Committee and to the Board of Commissioners through the Risk Monitoring Committee.
Principle 9 Compliance.	The Board of Commissioners is responsible for overseeing management related to the Bank's compliance risk. The Board of Commissioners must establish a compliance function and provide approval for policies and processes for identifying, assessing, monitoring and reporting, and providing advice on compliance risks.	The Board of Commissioners ensures the implementation of good corporate governance in business activities and corporate governance policies, including the implementation of compliance.
Principle 10 Internal Auditing.	The internal audit function must report independent assurance activities to the Board of Commissioners and must support the Board of Commissioners and Directors in encouraging the implementation of an effective governance process and the long term health of the Bank.	Conduct objective testing of evidence in order to provide an independent assessment of the adequacy of internal control, risk management and governance processes within the organization. Internal Audit is directly responsible to the President Director and communicates with the Board of Commissioners through the Audit Committee.



Principle	Explanation	Implementation at Bank Jatim
Principle 11 Compensation.	The Bank's remuneration structure must support the implementation of corporate governance and risk management.	The legal basis for remuneration for Bank Jatim refers to the Decree of the Board of Commissioners No. 061/03/06/DKM/KEP dated August 25, 2022 concerning the Implementation of Governance for the Provision of Remuneration for Management and Their Facilities at PT Bank Pembangunan Daerah Jawa Timur Tbk.
Principle 12 Disclosure and Transparency.	The implementation of governance from the Bank must be carried out in a transparent manner to Shareholders, Depositors, other relevant Stakeholders and Market Participants.	Bank Jatim constantly updates the Company's website to ensure information disclosure for stakeholders such as Annual Reports, Sustainability Reports and Public Exposures.

Good Corporate Governance Assessment

Self 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

Parameters	Weight (%)	June 2021	Dec 2021	June 2022	Dec 2022
		Score x Weight			
Implementation of Duties and Responsibilities of the Board of Commissioners	10	0.26	0.3	0.2	0.2
Implementation of Duties and Responsibilities of the Board of Directors	20	0.6	0.6	0.6	0.6
Completeness and Implementation of Committee Duties	10	0.3	0.3	0.3	0.2
Handling of Conflict of Interest	10	0.21	0.3	0.3	0.21
Implementation of the Bank's Compliance Function	5	0.15	0.15	0.1	0.15
Implementation of the Internal Audit Function	5	0.15	0.15	0.15	0.15
Implementation of the External Audit Function	5	0.09	0.09	0.1	0.1
Implementation of the Risk Management Function Including the Internal Control System	7.5	0.19	0.19	0.19	0.225
Provision of funds to related parties and large debtors (Large Exposure)	7.5	0.15	0.12	0.15	0.225

Parameters	Weight (%)	June 2021	Dec 2021	June 2022	Dec 2022
		Score x Weight			
Transparency of Financial and Non-Financial Conditions, GCG Implementation Reports and Internal Reporting	15	0.25	0.23	0.23	0.3
Bank Strategic Plan	5	0.1	0.15	0.15	0.15
Total Skor		2.45	2.58	2.47	0.51
Peringkat		2	3	2	3

Recommendations and Follow Up

During 2022, there are no recommendations from the OJK.

ASEAN Corporate Governance Scorecard

Assessment of the implementation of good corporate governance (GCG) was also carried out based on the ASEAN Corporate Governance Scorecard (ACGS) criteria which adopted the principles of Corporate Governance issued by The Organization for Economic Cooperation and Development (OECD)

Assessment Criteria

Kriteria penilaian ACGS meliputi 5 (lima) aspek sebagai berikut:

1. Rights of Shareholders.
2. Equal Treatment of Shareholders.
3. The Role of Stakeholders.
4. Disclosure and Transparency.
5. Responsibilities of Directors and Commissioners.

Parties That Carry Out The Assessment

The assessment is carried out by the ASEAN Capital Market Forum (ACMF) through the Domestic Ranking Body (DRB) as a representative in each participating country to conduct assessments on a national scale and appointed by the regulators of each country.

The Score of Assessment

Bank Jatim has been assessed by the ACMF for 2017 and 2021. The results of the assessment of the level of GCG practice according to the ACGS criteria in 2017, Bank Jatim won an award in the category 2 Most Improved PLCs. Furthermore, in 2021, Bank Jatim has won an award in the ASEAN Asset Class PLCs category.

Recommendations and Follow Up

Based on the results of the 2021 ACGS Bank Jatim assessment, there are recommendations for improvements related to the implementation and disclosure of governance at Bank Jatim. These recommendations for improvement will be the basis for continuous improvement.

Bad Corporate Governance Practices

The company realizes that bad corporate governance practices will disrupt the good governance system (GCG) that has been built by the company. Therefore, during 2022, the Company does not carry out all actions and policies related to this practice which are shown in the following table:

No.	Description	Practice
1	There is a report as a company that pollutes the environment.	Nil
2	Important matters currently being faced by the company, its subsidiaries, members of the Board of Directors and/or members of the Board of Commissioners who are currently in office are not disclosed in the Annual Report.	Nil
3	Non-compliance in fulfilling tax obligations.	Nil
4	Discrepancies in the presentation of annual reports and financial reports 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



07



08





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 SK-16

Reference Index

Criteria	Explanation	Page	Regulations
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.		√	SK-16
The annual report clearly stated the company's identity.	The company name and year of the annual report are displayed on:		
	1. Face cover.	√	
	2. Side.	√	SK-16
	3. Back cover.	√	
	4. Every page.	√	
The annual report should be available on the company website.		√	SK-16
PERFORMANCE HIGHLIGHTS			
Summary of important financial data contains financial information presented in comparative form for 3 (three) financial years or since starting their business if the Issuer or Public Company has been running its business activities for less than 3 (three) years.	Information includes, among others:		
	1. Sales revenue.	17	SEOJK 16
	2. Gross profit.	18	SK-16
	3. Operational profit.	18	
	4. Profit before tax.	18	SEOJK 9
	5. Net profit.	18	SK-16
	6. Profit and loss).	18	SEOJK 16
	7. Total comprehensive profit (loss).	18	SK-16
	8. Total profit (loss) attributable to owners of the parent entity and non-controlling interests.	N/A	SEOJK 9
	9. Total comprehensive profit (loss).	N/A	
	10. Total comprehensive profit (loss) attributable to owners of the parent entity and non-controlling interests.	N/A	SEOJK 16
	11. Earnings (loss) per share.	18	
	12. Total assets.	16	
	13. Investments in associates.	N/A	SEOJK 9
	14. Total liabilities.	17	SEOJK 16
	15. Total equity.	17	SK-16
	16. Third-party funds.	17	
	17. Loans received.	17	SEOJK 9
	18. Ratio of profit (loss) to total assets.	20	
	19. Profit (loss) to equity ratio.	20	
	20. Profit (loss) to revenue/sales ratio.	19	
	21. Current ratio.	20	SEOJK 16
	22. Liability to equity ratio.	19	
	23. Ratio of liabilities to total assets.	19	
	24. CAR ratio.	19	SEOJK 9

Criteria	Explanation	Page	Regulations
	25. Productive assets.	19	
	26. Non-performing loans (NPL) ratio.	19	
	27. Ratio of Operating Expenses to Operating Income (BOPO).	20	
	28. <i>Cost to Income Ratio</i> (CIR).	20	
	29. Net Interest Margin (NIM) ratio.	20	
	30. Percentage of violations and exceedances of the Legal Lending Limit (BMPK).	20	
	31. Statutory Reserve Ratio (GWM).	20	
	32. Net Open Position (NOP) Ratio.	20	
	33. Information and other financial ratios that are relevant to the issuer or public company and the type of industry.	20	SEOJK 9 SEOJK 16 SK-16
	Information on shares for Public Companies at least contains:		
Stock Information	1. Shares that have been issued for each quarter presented in comparative form for the last 2 (two) financial years, at least contain:		
	a. Number of outstanding shares.	21	
	b. Market capitalization is based on the price on the stock exchange where the shares are listed.	21	SEOJK 16 SK-16
	c. The highest, lowest and closing share prices are based on the price on the stock exchange where the shares are listed.	21	
	d. <i>Volumetrading</i> on the stock exchange where the shares are listed.	21	
	Information in letter b), letter c) and letter d) is only disclosed if the shares are listed on the stock exchange. Information is presented in the form of graphs and tables.		
	2. In the event of a corporate action that causes a change in shares, such as a stock split, reverse stock, stock dividends, bonus shares, changes in the nominal value of shares, issuance of convertible securities, and additions and capital reduction, share information as referred to in number 1) is added with an explanation of at least:		
	a. The date of implementation of the corporate action.		
	b. Stock split ratios, reverse stock ratios, stock dividends, bonus shares, number of convertible securities issued, and changes in share nominal value.	23	SEOJK 16
	c. The number of outstanding shares before and after the corporate action.		
	d. The number of effect conversions implemented (if any).		
	e. Stock prices before and after corporate actions.		
	3. In the event of a temporary suspension of share trading (suspension) and/or delisting of shares during the financial year, the reasons for the temporary suspension of share trading (suspension) and/or delisting of shares (delisting) shall be explained.	23	SEOJK 16
	4. In the event that the temporary suspension of share trading (suspension) as referred to in number 3) and/or the process of canceling the listing of shares (delisting) is still ongoing until the end of the Annual Report period, the actions taken to resolve the temporary suspension of share trading (suspension) and/or cancellation are explained. listing of shares (delisting).	23	SEOJK 16

Criteria	Explanation	Page	Regulations
Information on outstanding bonds, sukuk or convertible bonds in the last 2 (two) financial years.	Loading information:		SK-16
	1. Number of outstanding bonds/sukuk/convertible bonds.	28	
	2. Interest/reward rate.	29	
	3. Due date.	29	
	4. Bond/sukuk ratings for the year2021 and 2022.	29	
	Notes: if the company does not have bonds/sukuk/convertible bonds, that should be disclosed.		
REPORT OF DIRECTORS AND BOARD OF COMMISSIONERS			
Directors Report	The Board of Directors' report contains at least a brief description of:		
	1. Performance of Issuers or Public Companies, at least includes:		
	a. Issuer's or Public Company's strategy and strategic policies (including for UUS if the Bank owns UUS).	37	SEOJK 9 SEOJK 16 SK-16
	b. The role of the Board of Directors in formulating the strategy and strategic policies of the Issuer or Public Company.	37	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.	37	
	d. Comparison between the results achieved and those targeted by the Issuer or Public Company.	38	
	e. Obstacles faced by Issuers or Public Companies.	38	SEOJK 9 SEOJK 16 SK-16
	f. Organizational structure.	32	SEOJK 9
	g. Main activity.	32	
	h. Information Technology.	38	
	i. Types of products and services offered, including lending to debtors of micro, small and medium enterprises.	31-32	
	j. Interest rates for raising and providing funds.	33-37	
	k. Economic development and target market.	32-33	
	l. Networks and business partners at home and/or abroad.	32	
	m. Number, type and location of offices.	32	
	n. Ownership of the Board of Directors, Board of Commissioners and shareholders in the Bank's business group.	32	
	o. Important changes that occurred in the Bank and the Bank's business group in the year concerned.	N/A	
	p. Important things that are expected to happen in the future.	39-40	
	q. Human resources include the number, level of education, training, and development of human resources.	32	
	2. An overview of the business prospects of the Issuer or Public Company.	39-40	SEOJK 9 SEOJK 16 SK-16
	3. Implementation of Issuer or Public Company governance.	40-42	SEOJK 9 SK-16
	4. Changes in the composition of members of the Board of Directors (if any) and reasons for the changes.	43-44	



Criteria	Explanation	Page	Regulations
Report of the Board of Commissioners	<p>The Board of Commissioners' report contains at least a brief description of:</p> <ol style="list-style-type: none"> Assessment of the Board of Directors' performance regarding the management of Issuers or Public Companies, including oversight by the Board of Commissioners in the formulation and implementation of the Issuer's or Public Company's strategy carried out by the Board of Directors. Views on the business prospects of Issuers or Public Companies compiled by the Board of Directors. Views on the implementation of governance of the Issuer or Public Company. Views on the implementation/management of the Whistleblowing System (WBS) in the company and the role of the Board of Commissioners in the WBS Changes in the composition of the Board of Commissioners (if any) and reasons for the changes. Frequency and method of providing advice to members of the Board of Directors. Assessment of the performance of the Committees under the supervision of the Board of Commissioners/Supervisory Board. 	<p>47-49</p> <p>49</p> <p>49-52</p> <p>51-52</p> <p>52</p> <p>47</p> <p>52</p>	<p>SEOJK 16 SEOJK 9 SK-16</p> <p>SEOJK 9 SEOJK 16</p> <p>SEOJK 9</p> <p>SK-16</p>
Signatures of members of the Board of Directors and Board of Commissioners	<p>Loading things as follows:</p> <ol style="list-style-type: none"> The signature is written on a separate sheet. Statement that the Board of Commissioners and Board of Directors are fully responsible for the accuracy of the contents of the annual report. Signed by all members of the Board of Commissioners and members of the Board of Directors stating their names and positions. 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 does not sign the annual report, or a written explanation in a separate letter from another member in the event that there is no written explanation from the person concerned. 	<p>54-55</p>	<p>SK-16</p>
COMPANY PROFILE			
Company name and full address	<p>Access to Issuers or Public Companies including branch offices or representative offices that enable the public to obtain information about Issuers or Public Companies, including:</p> <ol style="list-style-type: none"> Address Phone number Email address Website address 	<p>58</p>	<p>SEOJK 9 SEOJK 16 SK 16</p>
Name and address of subsidiary and/or branch office or representative office (if any)	<p>Contains information including:</p> <ol style="list-style-type: none"> Name and address of the branch/representative office, including: <ol style="list-style-type: none"> Address Phone number Email address Website address <p>Notes: if the company does not have subsidiaries, branch offices, and representative offices, so that it is disclosed.</p>	<p>59-60</p>	<p>SEOJK 9 SEOJK 16 SK 16</p>
Brief history of Issuer or Public Company	<p>Include among others: date/year of establishment, name, change of company name (if any), and effective date of change of company name.</p> <p>Notes: if the company has never changed its name, please disclose it.</p>	<p>62-63</p>	<p>SEOJK 9 SEOJK 16 SK 16</p>

Criteria	Explanation	Page	Regulations
Vision, Mission and Corporate Culture	Includes:		
	1. Company Vision	64	
	2. Company Mission	65	SEOJK 9 SEOJK 16 SK 16
	3. Statement that the vision and mission have been reviewed and approved by the Board of Directors/Board of Commissioners in the financial year.	64	
	4. Statement regarding the company's corporate culture.	66-68	
Business activities	Description of, among others:		
	1. The company's business activities according to the latest articles of association.	69-70	SEOJK 9 SEOJK 16 SK 16
	2. Business Activities Undertaken.	70	
	3. Products and/or services produced.	70-81	
Operational Area	Issuer's or Public Company's operational area. The operational area is the area or area where operational activities are carried out or the scope of the company's operational activities.	82-83	SEOJK 16
Organizational structure	The organizational structure of the Issuer or Public Company in the form of a chart, at least up to 1 (one) level below the Board of Directors including committees under the Board of Directors (if any) and committees under the Board of Commissioners, accompanied by names and positions.	84-85	SEOJK 9 SEOJK 16 SK 16
Association Membership	List of industry association memberships both on a national and international scale related to the implementation of sustainable finance.	124	SEOJK 16
Board of Directors Profile	Profile of the Board of Directors, at least contains:		
	1. Name and position in accordance with the duties and responsibilities.		
	2. Latest photos.		
	3. Age.		
	4. Citizenship.		
	5. Educational history and/or certification.		
	6. Position history, including information on:		
	a. The legal basis for appointment as a member of the Board of Directors of the Issuer or Public Company concerned		SEOJK 9 SEOJK 16 SK 16
	b. History of appointment (period and position) as a member of the Board of Directors in the Company since he was first appointed.	86-96	
	c. Concurrent positions, both as members of the Board of Directors, members of the Board of Commissioners, and/or committee members as well as other positions both inside and outside the Issuer or Public Company. In the event that members of the Board of Directors do not have concurrent positions, then this is disclosed.		
	d. Work experience and time period 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 members of the Board of Directors have no affiliation, the Issuer or Public Company shall disclose this. Financial relationships and family relationships of members of the Board of Directors and members of the Board of Commissioners with other members of the Board of Directors, other members of the Board of Commissioners, and/or controlling shareholders of the Bank.		SEOJK 9 SEOJK 16
	8. Changes in the composition of members of the Board of Directors and reasons for the changes. In the event that there is no change in the composition of the members of the Board of Directors, this will be disclosed.		SEOJK 16



Criteria	Explanation	Page	Regulations
Profile of the Board of Commissioners	Profile of the Board of Commissioners, at least contains:		
	1. Name and title.		
	2. Latest photos.		
	3. Age.		
	4. Citizenship.		
	5. Educational history and/or certification.		
	6. Position history, including information on:		
	a. Legal basis for appointment as a member of the Board of Commissioners		SEOJK 9 SEOJK 16 SK 16
	b. The legal basis for the first appointment as a member of the Board of Commissioners who is an independent commissioner at the Issuer or Public Company concerned.		
	c. Appointment history (period and position) as a member of the Board of Commissioners in the Company since he was first appointed.		
	d. Concurrent positions, both as members of the Board of Commissioners, members of the Board of Directors, and/or committee members as well as other positions both inside and outside the Issuer or Public Company. In the event that members of the Board of Commissioners do not have concurrent positions, then this is disclosed.	97-102	
	e. Work experience and time period 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 members of the Board of Commissioners have no affiliation, the Issuer or Public Company shall disclose this. Financial relationships and family relationships of members of the Board of Directors and members of the Board of Commissioners with other members of the Board of Directors, other members of the Board of Commissioners, and/or controlling shareholders of the Bank.		SEOJK 9 SEOJK 13 SEOJK 16 SK 16
	8. Declaration of independence of the independent commissioner in the event that the independent commissioner has served more than 2 (two) terms.		
	9. Changes in the composition of the members of the Board of Commissioners and the reasons for the changes. In the event that there is no change in the composition of the members of the Board of Commissioners, this will be disclosed.		SEOJK 16
Executive officer brief profile	Including the composition of executive officers along with their positions and a summary of Curriculum Vitae.	106-115	SEOJK 9
Number of employees and employee competency development data.	Number of employees by gender, position, age, educational level, and employment status (permanent/contract) in the financial year.	116-117	SEOJK 9 SEOJK 16
	Disclosure of information can be presented in tabular form.		
	Data on employee competency development that has been carried out in the financial year consisting of parties (position levels) who attended training, types of training, and training objectives as well as equal opportunities for all employees.	253-256	SK 16
	Employee competency development costs that have been incurred in the financial year.	256	

Criteria	Explanation	Page	Regulations
Shareholder composition	Names of shareholders and percentage of ownership at the beginning and end of the financial year, which consists of information regarding:		
	1. Shareholders who own 5% (five percent) or more shares of Issuers or Public Companies.		
	2. Members of the Board of Directors and members of the Board of Commissioners who own 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 do not own shares, then this matter shall be disclosed.		
	3. Percentage of indirect ownership of Issuer or Public Company shares by members of the Board of Directors and members of the Board of Commissioners at the beginning and end of the financial year, including information regarding shareholders who are registered in the register of shareholders for the benefit of indirect ownership by members of the Board of Directors and members of the Board of Commissioners. In the event that all members of the Board of Directors and/or all members of the Board of Commissioners do not have indirect ownership of the shares of the Issuer or Public Company, then this matter must be disclosed. Directors and commissioners who own Shares (Directors and Board of Commissioners/Supervisory Board must report to the company regarding their and/or family's share ownership in the company concerned and other companies, including any changes thereto).	118-123	SEOJK 9 SEOJK 16 SK 16
	4. Group of public shareholders, namely groups of shareholders who each own less than 5% (five percent) of the shares of the Issuer or Public Company.		SEOJK 16
	5. Number of shareholders and percentage of ownership at the end of the financial year based on classification:		SEOJK 16
	a. Ownership of local institutions. b. Ownership of foreign institutions. c. Local individual ownership. d. Foreign individual ownership.		
Major and controlling shareholder	6. Details of Names of Shareholders which include the 20 Largest Shareholders and their Percentage of Ownership The above information can be presented in tabular form.		
	Information regarding major shareholders and controllers of Issuers or Public Companies, either directly or indirectly, up to individual owners, presented in the form of a schematic or chart. Notes: What is meant by major shareholder is a party that, either directly or indirectly, owns at least 20% (twenty percent) of the voting rights of all shares with voting rights issued by a Company, but is not a controlling shareholder.	123	SEOJK 9 SEOJK 16
List of associate subsidiaries, venture companies	Names of subsidiaries, associated companies, joint venture companies where the Issuer or Public Company has joint control of the entity (if any), along with the percentage of share ownership, line of business, total assets, and operating status of subsidiaries, associated companies, joint venture companies. For subsidiaries, information regarding the address of the subsidiary is added.	123	SEOJK 9 SEOJK 16 SK 16
Information related to the Bank Business Group	Banks that are part of a business group and/or have Subsidiaries, must add:		SEOJK 9
	The structure of the Bank's business group which includes:		
	a. The structure of the Bank's business group consists of the Bank, Subsidiaries, sister companies, Parent Entity up to the ultimate shareholder. b. Management linkage structure within the Bank's business group.	N/A	

Criteria	Explanation	Page	Regulations
	c. Shareholders acting on behalf of other shareholders. The definition of a shareholder acting on behalf of another shareholder is an individual shareholder or an entity that has the common goal of controlling the Bank, based on or not based on an agreement.		
Company group structure	The corporate group structure in the form of a chart depicting the parent entity, subsidiary entity, associate entity, joint venture, and special purpose vehicle (SPV).	124	SEOJK 16 SK 16
Share listing chronology(including private placement) and/or listing of shares from the initial issuance until the end of the financial year	Chronology of share listing, number of shares, number of listed shares after each corporate action, nominal value, and offering price from the beginning of listing to the end of the financial year as well as the name of the stock exchange where the Issuer's or Public Company's shares are listed, including stock splits (stock split), merger of shares (reverse stock), stock dividends, bonus shares, and changes in the nominal value of shares, implementation of conversion effects, implementation of capital additions and reductions (if any).	125-126	SEOJK 16 SK 16
Chronology of issuance of other securities	Information on the listing of other securities that are not yet due in the financial year at least contains the names of the securities, the type of corporate action that causes a change in the number of other securities, year of issue, interest rate/yield, maturity date, offering value, name of stock exchange where other securities are listed, and securities rating (if any).	126	SEOJK 16 SK 16
Information on the use of public accounting services (AP) and public accounting firms (KAP)	<p>Information on the use of public accounting services (AP) and public accounting firms (KAP) and their networks/associations/alliance includes:</p> <ol style="list-style-type: none"> 1. Name and address. 2. Assignment period. 3. Information on audit and/or non-audit services provided. 4. Audit and/or non-audit service fees for each assignment given during the financial year. 5. In the event that the designated AP and KAP and their network/ association/alliance do not provide non-audit services, then the information shall be disclosed. <p>Disclosure of information on the use of AP and KAP services and their networks/associations/alliances can be presented in tabular form.</p>	127	SEOJK 16 SK 16
Name and address of supporting institution and/or profession.	Names and addresses of capital market supporting institutions and/or professions other than AP and KAP.	127-128	SEOJK 16 SK 16
Awards and Certifications.	<p>Information includes, among others:</p> <ol style="list-style-type: none"> 1. Name of award and/or certification (national and international scale). 2. Year of award and/or certification. 3. Awarding and/or certification bodies. 4. Validity period (for certification). 	129-134	SEOJK 9 SK 16
Information on the Company's Website.	<p>Covers at least:</p> <ol style="list-style-type: none"> 1. Shareholder information up to individual ultimate owners. 2. Fill in the Code of Ethics. 3. Information on the General Meeting of Shareholders (GMS) at least includes agenda items discussed at the GMS, 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 summons for the GMS, the date of the GMS, the date the summary of the minutes of the GMS was announced. 4. Separate annual financial reports (last 5 years). 5. Profiles of the Board of Commissioners and Directors. 6. Charter of the Board of Commissioners, Board of Directors, Committees and Internal Audit Unit. 	135	

Criteria	Explanation	Page	Regulations
MANAGEMENT DISCUSSION AND ANALYSIS OF THE COMPANY'S PERFORMANCE			
Bank Strategic Plan	<ol style="list-style-type: none"> Long term plan (corporate plan). Medium and short term plans (business plan). 	142	SEOJK 13
Operational review per business segment	Operational review per business segment according to the type of industry of the Issuer or Public Company, at least concerning:		
	<ol style="list-style-type: none"> Explanation of each business segment. 	147-174	
	<ol style="list-style-type: none"> Performance per business segment, among others: <ol style="list-style-type: none"> Production, which includes process, capacity, and development. Increase/decrease in production capacity. Sales/business income. Profitability. 	147-174 147-174 163-164, 174-175 163-164, 174-175	SEOJK 9 SEOJK 16 SK 16
Description of the company's financial performance	Comprehensive financial performance which includes a comparison of financial performance in the last 2 (two) financial years (in the form of narratives and tables), an explanation of the causes of the changes and the impact of these changes, at least concerning:		
	<ol style="list-style-type: none"> Current assets, non-current assets, and total assets. 	176-177, 179-186	
	<ol style="list-style-type: none"> Short term liabilities, long term liabilities and total liabilities. 	177, 186-189	SEOJK 9 SEOJK 16 SK 16
	<ol style="list-style-type: none"> Funding (investment and giving credit/financing). 	183-184	
	<ol style="list-style-type: none"> Third party funds and other funding sources. 	187	
	<ol style="list-style-type: none"> Equity. 	178, 189-191	
	<ol style="list-style-type: none"> Income/sales, expenses, profit (loss), other comprehensive income, and total comprehensive profit (loss). 	191-198	
	<ol style="list-style-type: none"> Cash flow. 	198-200	
Analysis of the quality of earning assets and relevant financial ratios.	<ol style="list-style-type: none"> Basic credit interest rate. 	207	SEOJK 9
Discussion and analysis of the ability to pay debts and the collectibility of the company's receivables, by presenting the calculation of the relevant ratio according to the type of company's industry.	Explanation of:		
	<ol style="list-style-type: none"> Ability to pay debts, both short term (liquidity) and long term (solvability). 	201-202	SEOJK 16 SK 16
	<ol style="list-style-type: none"> Receivables collectibility level. 	202-203	
Discussion on capital structure and management policies on capital structure (capital structure policy).	Top explanation:		
	<ol style="list-style-type: none"> Details of the capital structure (capital structure), which consists of interest-based debt/sukuk and equity. 	216	SEOJK 16 SK 16
	<ol style="list-style-type: none"> Management policies on capital structure (capital structure policies). 	214-215	
	<ol style="list-style-type: none"> Basis for selection of management policies. 	214-215	
Discussion on material commitments for capital goods investment (not funding commitments) in the last financial year.	Explanation of:		
	<ol style="list-style-type: none"> The name of the party making the bond. 		
	<ol style="list-style-type: none"> The purpose of the bond. 		
	<ol style="list-style-type: none"> Source of funds expected to fulfill these ties. 		
	<ol style="list-style-type: none"> The currency to be denominated. 	230	SEOJK 16 SK 16
	<ol style="list-style-type: none"> The steps the company plans to take to protect against risks from related foreign currency positions. 		
Notes: if the company has no ties related to investment in capital goods in the last financial year to be disclosed.			

Criteria	Explanation	Page	Regulations
Discussion on investment in capital goods realized in the last financial year.	<p>Explanation of:</p> <ol style="list-style-type: none"> Types of investment in capital goods. The purpose of investing in capital goods. Investment value of capital goods issued in the last financial year. <p>Notes: if there is no realization of investment in capital goods, so that it is disclosed.</p>	230	SEOJK 9 SEOJK 16 SK 16
Material information and facts that occurred after the date of the accountant's report	<p>Description of significant events after the date of the accountant's report including their impact on performance and business risks in the future.</p> <p>Notes: if there are no important events after the date of the accountant's report, so that it is disclosed.</p>	232	SEOJK 9 SEOJK 16
Description of the company's business prospects.	The business prospects of Issuers or Public Companies are linked to industry conditions, the general economy and international markets accompanied by quantitative supporting data from reliable data sources.	232-233	SEOJK 16 SK 16
Comparative information between targets at the beginning of the financial year with the results achieved (realization), and targets or projections to be achieved for the next year.	Comparison between targets/projections at the beginning of the financial year with the results achieved (realization), regarding:		
	1. Sales revenue.	234	SEOJK 16
	2. Profit and loss).	234	
	3. Capital structure (capital structure).	235	SEOJK 16
	4. Marketing.	235	
	5. HR Development.	235	SEOJK 16
	6. Other matters deemed important by the Issuer or Public Company.	234	
	Targets/projections to be achieved by Issuers or Public Companies for the next 1 (one) year, regarding:		
	1. Sales revenue.	236	SEOJK 16
	2. Profit and loss).	236	
	3. Capital structure (capital structure).	237	SEOJK 16
	4. Dividend policy.	237	
	5. Marketing.	237	SEOJK 16
	6. HR Development.	237	
	7. Other matters deemed important by the Issuer or Public Company.	236	SEOJK 16
Description of the marketing aspect.	Marketing aspects of the Issuer's or Public Company's goods and/or services, at least regarding marketing strategy and market share.	143-146	SEOJK 9 SEOJK 16 SK 16
Description of dividends for the last 2 (two) financial years.	Description of dividends for the last 2 (two) financial years, at least:		
	1. The dividend policy, among other things, contains information on the percentage of the amount of dividends distributed to net income.		SEOJK 16 SK 16
	2. Cash dividend payment date and/or non-cash dividend distribution date.	238	
	3. Amount of dividends per share (cash and/or non-cash).		
	4. The amount of dividends per year paid.		
	Notes: if there is no distribution of dividends, please state the reasons.		

Criteria	Explanation	Page	Regulations
Realization of the use of proceeds from the public offering (in the event that the company is still required to submit a report on the realization of the use of funds)	Contains descriptions of:		
	<ol style="list-style-type: none"> 1. Total proceeds. 2. Fund usage plan. 3. Details of use of funds. 4. Fund balance. 5. The date of approval of the GMS/RUPO for changes in the use of funds (if any). <ol style="list-style-type: none"> a. In the event that during the financial year, the Issuer has an obligation to submit a report on the realization of the use of funds, the cumulative realization of the use of proceeds from public offerings until the end of the financial year is disclosed. b. In the event that there is a change in the use of funds as stipulated in the Financial Services Authority Regulation regarding the report on the realization of the use of funds from a public offering, the Issuer shall explain the change. 	239	SEOJK 16 SK 16
Material information (if any), including investment, expansion, divestment, business merger/consolidation, acquisition, debt/capital restructuring, material transactions, affiliated transactions, and conflict of interest transactions.	Note: if you do not have information on the realization of the use of proceeds from a public offering, please disclose it.		
	<p>Contains descriptions of:</p> <ol style="list-style-type: none"> a. Date, value, and transaction object. b. The name of the party conducting the transaction. c. Nature of the affiliation relationship (if any). d. Explanation of the fairness of the transaction. e. Fulfillment of related provisions. f. In the event that there is an affiliation relationship, apart from disclosing the information referred to in number a) through number f), the Issuer or Public Company also discloses information: <ol style="list-style-type: none"> 1) The Board of Directors' statement that affiliated transactions have gone through adequate procedures to ensure that affiliated transactions are carried out in accordance with generally accepted business practices, among others, carried out by fulfilling the arm's length principle. 2) The role of the Board of Commissioners and the audit committee in carrying out adequate procedures to ensure that affiliated transactions are carried out in accordance with generally accepted business practices, among others, is carried out by fulfilling the arm's length principle. g. For affiliate transactions or material transactions which are business activities carried out in order to generate business income and are carried out routinely, repeatedly and/or continuously, an explanation is added that the affiliated transactions or material transactions are business activities carried out in order to generate business income and are carried out routinely, repeatedly, and/or continuously. In the case of affiliated transactions or material transactions referred to have been disclosed in the annual financial statements, information is added regarding references to disclosure in the said annual financial statements. h. For disclosure of affiliated transactions and/or conflict of interest transactions which are the result of the implementation of affiliated transactions and/or conflict of interest transactions that have been approved by independent shareholders, information is added regarding the date of the GMS that approves the affiliated transactions and/or conflict of interest transactions. i. In the event that there are no affiliated transactions and/or conflict of interest transactions, then this is disclosed. 	239-241	SEOJK 16 SEOJK 13 SK 16



Criteria	Explanation	Page	Regulations
Description of changes to laws and regulations on companies in the last financial year.	<p>The description contains, among others:</p> <ol style="list-style-type: none"> 1. The names of the laws and regulations that have changed. 2. The impact (quantitative and/or qualitative) on the company (if significant) or the statement that the impact is not significant. <p>Notes: if there is no change in laws and regulations in the last financial year, so that it is disclosed.</p>	242-244	SEOJK 16 SK 16
Description of changes in accounting policies implemented by the company in the last financial year.	<p>The description contains, among others:</p> <ol style="list-style-type: none"> 1. Changes in accounting policies. 2. Reasons for changes in accounting policies. 3. Quantitative impact on financial statements. <p>Notes: If there is no change in accounting policy in the last financial year, that should be disclosed.</p>	244	SEOJK 16 SK 16
Business continuity information.	<p>Disclosure of information regarding:</p> <ol style="list-style-type: none"> 1. Matters that have the potential to significantly influence the continuity of the company's business in the last financial year. 2. <i>Assessment</i> management of matters in item 1. 3. Assumptions used by management in conducting the assessment. <p>Notes: If there are no matters that have the potential to have a significant impact on the continuity of the company's business in the last financial year, please disclose the assumptions underlying management in believing that there are no matters that have the potential to significantly affect the continuity of the company's business in the last financial year.</p>	245	
There are prohibitions, restrictions and/or other significant obstacles to transferring funds or in order to fulfill the capital required by the competent authority between the Bank and other entities in the same business group.		N/A	SEOJK 9
Information on Risk Exposure and Capital.	Risk exposure and capital includes annual period risk and capital exposure reports as stipulated in part II of the Publication Report on risk and capital exposure.	216-230	SEOJK 9
GOOD CORPORATE GOVERNANCE			
GMS.	<p>Information regarding GMS resolutions in the financial year and 1 (one) year before the financial year includes:</p> <ol style="list-style-type: none"> a. GMS resolutions in the financial year and 1 (one) year prior to the financial year realized in the financial year. b. GMS decisions in the financial year and 1 (one) year prior to the financial year that have not been realized along with the reasons for not being realized. <p>In the event that an Issuer or Public Company uses an independent party in the implementation of the GMS to carry out the vote count, it shall be disclosed regarding this matter.</p>	<p>288-292</p> <p>292-295</p>	SEOJK 16
Directors.	<ol style="list-style-type: none"> 1. Duties and responsibilities of each member of the Board of Directors. Information regarding the duties and responsibilities of each member of the Board of Directors is described and can be presented in tabular form. 2. Statement that the Board of Directors has a guideline or charter (charter) of the Board of Directors. 	<p>298</p> <p>297-298</p>	<p>SEOJK 13 SEOJK 16 SK 16</p> <p>SEOJK 16</p>

Criteria	Explanation	Page	Regulations
	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 at these meetings including attendance at the GMS. Information on the level of attendance of members of the Board of Directors at meetings of the Board of Directors, meetings of the Board of Directors with the Board of Commissioners or GMS can be presented in tabular form. Information includes, among others: a. Meeting date. b. Meeting participants. c. Meeting agenda.	300-303	SEOJK 16 SK 16
	4. Training and/or competency improvement for members of the Board of Directors:	303-305	SEOJK 16 SK 16
	a. Policy on training and/or competency improvement for members of the Board of Directors, including an orientation program for newly appointed members of the Board of Directors (if any).		
	b. Training and/or competency improvement attended by members of the Board of Directors in the financial year (if any).	306-308	SEOJK 16
	5. The Board of Directors' assessment of the performance of the committees that support the implementation of the duties of the Board of Directors in the financial year contains at least:		
	a. Performance appraisal procedures.		
	b. The criteria used include performance achievements during the financial year, competence and attendance at meetings. In the event that the Issuer or Public Company does not have a committee that supports the implementation of the duties of the Board of Directors, this will be disclosed.	343	SEOJK 13
	6. Share ownership of members of the Board of Directors and members of the Board of Commissioners who reach 5% (five percent) or more of paid-up capital, which includes the type and number of shares in:		
	a. The bank in question...	308-309	SEOJK 13 SEOJK 16 SK 16
	b. other banks.		
	c. Non-bank financial institutions.		
	d. Other companies domiciled both inside and outside the country.		
Board of Commissioners.	1. Duties and responsibilities of the Board of Commissioners.	308-309	SEOJK 13 SEOJK 16 SK 16
	2. Statement that the Board of Commissioners has guidelines or charter of the Board of Commissioners.	311	SEOJK 16
	3. Independent Commissioner (at least 30% of the total number of the Board of Commissioners). Includes among others:	313-314	
	1. Criteria for determining Independent Commissioners. 2. Statement regarding the independence of each Independent Commissioner.		

Criteria	Explanation	Page	Regulations
	<p>4. Policy and implementation of the frequency of meetings of the Board of Commissioners, meetings of the Board of Commissioners with the Board of Directors and the level of attendance of members of the Board of Commissioners at these meetings including attendance at the GMS.</p> <p>Information on the level of attendance of members of the Board of Commissioners at meetings of the Board of Commissioners, meetings between the Board of Commissioners and the Board of Directors, or GMS can be presented in tabular form.</p> <p>Information includes, among others:</p> <ol style="list-style-type: none"> Meeting date. Meeting participants. Meeting agenda. 	315-321	SEOJK 13 SEOJK 16 SK 16
	<p>5. Training and/or competency improvement for members of the Board of Commissioners:</p> <ol style="list-style-type: none"> Policy on training and/or competency improvement for members of the Board of Commissioners, including an orientation program for newly appointed members of the Board of Commissioners (if any). Training and/or competency improvement attended by members of the Board of Commissioners in the financial year (if any). 	321-323	SEOJK 16
	<p>6. Assessment of the performance of the Board of Directors and the Board of Commissioners as well as each member of the Board of Directors and members of the Board of Commissioners, contains at least:</p> <ol style="list-style-type: none"> Procedure for implementing performance appraisal. The criteria used include performance achievements during the financial year, competence and attendance at meetings. The party making the assessment. 	323-329	SEOJK 16
	<p>7. The Board of Commissioners' assessment of the performance of the Committees that support the implementation of the duties of the Board of Commissioners in the financial year includes:</p> <ol style="list-style-type: none"> Performance appraisal procedures. The criteria used include performance achievements during the financial year, competence and attendance at meetings. 	330-334	SEOJK 16
Policy regarding the diversity of the composition of the Board of Commissioners and the Board of Directors. Description of the Company's written policy regarding the diversity of the composition of the Board of Commissioners and the Board of Directors in education (field of study), work experience, age and gender.	Note: if there is no such policy, the reasons and considerations must be disclosed.	338	
Nomination and remuneration of the Board of Directors and Board of Commissioners.	Least load:		
	<p>1. Nomination procedures, including a brief description of the policies and nomination process for members of the Board of Directors and/or members of the Board of Commissioners.</p>	338	SEOJK 16
	<p>2. Procedures and implementation of remuneration for the Board of Directors and Board of Commissioners, including:</p> <ol style="list-style-type: none"> Procedure for determining remuneration for the Board of Directors and Board of Commissioners. Disclosure of indicators for determining the remuneration of the Board of Directors. 	338 339	SEOJK 16 SK 16

Criteria	Explanation	Page	Regulations
	c. The remuneration structure for the Board of Directors and the Board of Commissioners such as salaries, allowances, bonuses/ bonuses and others; And Notes: if there are no performance bonuses, non-performance bonuses and stock options received by each member of the Board of Commissioners and Board of Directors, to be disclosed.	339-340	
	d. The amount of remuneration for each member of the Board of Directors and members of the Board of Commissioners; Disclosure of information can be presented in tabular form.	340	
Sharia supervisory board, for Issuers or Public Companies that carry out business activities based on sharia principles as stated in the articles of association.	Least load:		
	a. Name.		
	b. The legal basis for the appointment of the Sharia Supervisory Board.	336	
	c. The assignment period of the Sharia Supervisory Board.		SEOJK 16
	d. Duties and responsibilities of the Sharia Supervisory Board.	335	
	e. Frequency and method of providing advice and suggestions as well as monitoring compliance with sharia principles in the capital market to Issuers or Public Companies.	337	
Audit Committee.	1. Name and title in the membership of the committee.		SEOJK 16 SK 16
	2. Age.		
	3. Citizenship.		SEOJK 16
	4. Educational background.		
	5. Position history, including information on:		
	a. Legal basis for appointment as committee member.	347-348	
	b. Concurrent positions, both as members of the Board of Commissioners, members of the board of directors, and/or committee members and other positions (if any).		SEOJK 16 SK 16
	c. Work experience and time period both inside and outside the issuer or public company.		
	6. Period and tenure of audit committee members.		SEOJK 16 SK 16
	7. Description of duties and responsibilities.	345-346	SEOJK 13 SK 16
	8. Audit committee independence statement.	349	SEOJK 16 SK 16
	9. Training and/or competency improvement that has been attended in the financial year (if any).	351	SEOJK 16
	10. Policy and implementation of the frequency of audit committee meetings and the level of attendance of audit committee members at these meetings.	349-350	SEOJK 13 SEOJK 16 SEOJK 13 SK 16
	11. Implementation of audit committee activities in the financial year according to what is stated in the audit committee guidelines or charter.	351-352	



Criteria	Explanation	Page	Regulations
Issuer or Public Company nomination and remuneration committee or function.	Least load:		
	1. Name and title in the membership of the committee.		SEOJK 16 SK 16
	2. Age.		
	3. Citizenship.		
	4. Educational background.		
	5. Position history, including information on:		
	a. Legal basis for appointment as committee member.	354-355	
	b. Concurrent positions, both as members of the Board of Commissioners, members of the Board of Directors, and/or committee members and other positions (if any).		
	c. Work experience and time period both inside and outside the Issuer or Public Company.		
	6. Period and tenure of committee members.		
	7. Committee independence statement.	356	
	8. Training and/or competency improvement that has been attended in the financial year (if any).	358	
	9. Description of duties and responsibilities.	353	
	10. Statement that already has a guideline or charter.	353	
	11. Policy and implementation of the frequency of meetings and the level of attendance of members at these meetings.	356-357	
	12. A brief description of the implementation of activities in the financial year.	359	
	13. Policy regarding the succession of the Board of Directors.	359	
	In the event that a nomination and remuneration committee is not formed, it is sufficient for the Issuer or Public Company to disclose the information referred to in letter i) to letter l) and disclose:		
	1. The reasons for not forming the committee		
	2. Parties carrying out nomination and remuneration functions.		
Other committees owned by Issuers or Public Companies in order to support the functions and duties of the Board of Directors (if any) and/or committees that support the functions and duties of the Board of Commissioners.	Least load:		SEOJK 16
	1. Name and title in the membership of the committee.		
	2. Age.		
	3. Citizenship.		
	4. Educational background.		
	5. Position history, including information on:	361-363	
	a. Legal basis for appointment as committee member.		
	b. Concurrent positions, both as a member of the board of commissioners, a member of the board of directors, and/or a member of a committee and other positions (if any).		
	c. Work experience and time period both inside and outside the issuer or public company.		
	6. Period and tenure of committee members.		
	7. Committee independence statement.	364	
	8. Training and/or competency improvement that has been attended in the financial year (if any).	366	
	9. Description of duties and responsibilities.	359-360	
	10. Statement that already has guidelines or committee charter.	359	
	11. Policy and implementation of the frequency of committee meetings and the level of attendance of committee members at these meetings.	364-366	
	12. A brief description of the implementation of the committee's activities in the financial year.	367-368	

Criteria	Explanation	Page	Regulations
Company secretary.	1. Name.		
	2. domicile.		
	3. Position history, including:		
	a. Legal basis for appointment as company secretary.	369	
	b. Work experience and time period both inside and outside the issuer or public company.		SEOJK 16
	4. Educational background.		
	5. Training and/or competency improvement attended in the financial year.	369-370	
	6. Brief description of the implementation of the duties of the corporate secretary in the financial year.	370	
Internal Audit Unit.	1. Name of the head of the internal audit unit.		
	2. Position history, including:		
	a. Legal basis for appointment as head of the internal audit unit.	372	
	b. Work experience and time period both inside and outside the issuer or public company.		
	3. Qualification or certification as internal audit profession (if any).		
	4. Number of employees (internal auditors) in the internal audit unit.	373	
	5. Training and/or competency improvement attended in the financial year.	374	SEOJK 16
	6. The structure and position of the internal audit unit.	371	
	7. Description of duties and responsibilities.	373	
	8. A statement that the internal audit unit has guidelines or charters.	373	
	9. A brief description of the implementation of the duties of the internal audit unit in the financial year including the policy and implementation of the frequency of meetings with the directors, board of commissioners and/or the audit committee.	375	
Public Accountant.	1. The name and year of the public accountant who audited the annual financial statements for the last 5 years.		
	2. The 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.	405-406	
	4. Other services provided by the Public Accounting Firm and public accountants in addition to auditing the annual financial statements for the last financial year.		
	Notes: if there is no other service in question, so that it is disclosed.		
Description of the internal control system implemented by the issuer or public company.	1. Financial and operational control, as well as compliance with other laws and regulations.	406-408	
	2. Explanation of the suitability of the internal control system with the internationally recognized framework (COSO – internal control framework).	409	SEOJK 13 SEOJK 16
	3. Review of the effectiveness of the internal control system.	409	
	4. Statement of the Board of Directors and/or Board of Commissioners regarding the adequacy of the internal control system.	410	SEOJK 16

Criteria	Explanation	Page	Regulations
Risk management system implemented by Issuers or Public Companies.	1. General description of the Issuer's or Public Company's risk management system.	410-412	SEOJK 16 SEOJK 13
	2. Types of risk and how to manage them.	412-416	
	3. Review of the effectiveness of the Issuer's or Public Company's risk management system.	417	
	4. Statement of the Board of Directors and/or Board of Commissioners or the audit committee on the adequacy of the risk management system.	417	SEOJK 16
Compliance function.	The level of the Bank's compliance with all provisions and laws and regulations as well as fulfillment of commitments with the competent authorities.	418-420	SEOJK 13
Legal cases with a material impact faced by issuers or public companies, subsidiaries, members of the board of directors and members of the board of commissioners (if any).	1. Main case/lawsuit.	420-422	SEOJK 16
	2. Case/lawsuit settlement status.		
	3. The impact on the condition of issuers or public companies. The risks faced by the company and the nominal value of claims/lawsuits.		
	4. The effect on the company's financial condition.		SK 16
	5. Disclosure regarding legal issues at least includes: a. the number of civil and criminal cases faced and decisions that have permanent legal force. b. the number of civil and criminal matters faced and still in the process of being resolved. Notes: in the event that the company, subsidiaries, members of the Board of Commissioners and members of the Board of Directors do not have important matters, this must be disclosed.		SEOJK 13
Information on administrative sanctions/sanctions imposed on issuers or public companies, board members commissioners and members of the board of directors, by the Financial Services Authority and other authorities in the financial year (if any).		422	SEOJK 16
Access to company information and data: Description regarding the availability of access to company information and data to the public, for example through websites (in Indonesian and English), mass media, mailing lists, bulletins, meetings with analysts, and so on.		422-427	
Information regarding the code of ethics of Issuers or Public Companies.	1. Principles of the code of ethics.	428-429	SEOJK 16
	2. A statement that the code of ethics applies to all levels of the organization.	430	
	3. Forms of dissemination of the code of ethics and enforcement efforts	430	
	4. Sanctions for each type of violation are regulated in the (normative) code of ethics.	430	SK 16
	5. Number of violations of the code of ethics and sanctions given in the last financial year.	431-433	
	Notes: If there is no violation of the code of ethics in the last financial year, please disclose it.		
	6. Statement regarding the company's corporate culture.	N/A	

Criteria	Explanation	Page	Regulations
Implementation of Governance in Providing Remuneration for Banks.	1. Remuneration Committee a. Name of members, composition, duties and responsibilities. b. Number of meetings held. c. Remuneration that has been paid to members of the Remuneration Committee for 1 (one) year.	402	POJK 45
	2. Remuneration policy formulation process which includes: a. Review of the background and objectives of the Remuneration policy. b. Implementation of a review of the Remuneration policy in the previous year, along with its improvements. c. Mechanism to ensure that Remuneration for Employees in the control unit is independent from the work unit they supervise.	403	
	3. Remuneration policy coverage and its implementation per business unit, per region and in subsidiaries or branch offices located overseas	402-403	
	4. Remuneration is associated with risks that include: a. The main type of risk (key risk) used in implementing Remuneration. b. Criteria for determining the main types of risk, including for risks that are difficult to measure. c. The impact of determining the main risk on the Variable Remuneration policy. d. Changes in the determination of the main types of risk compared to last year and the reasons, if any.	403	
	5. Performance measurement is associated with Remuneration which includes: a. Review of Remuneration policies linked to performance appraisal. b. The method of linking individual Remuneration with Bank performance, work unit performance and individual performance. c. A description of the method used by the Bank to state that the agreed performance cannot be achieved, so it is necessary to make adjustments to remuneration and the amount of remuneration adjustments if this condition occurs.	403	
	6. Remuneration Adjustment is related to Performance and Risk which includes: a. Policy regarding Variable Remuneration that is deferred, the amount, and the criteria for determining the amount. b. The Bank's policy regarding Variable Deferred Remuneration which is postponed for payment (malus), or withdrawn when it has been paid (clawback).	403	
	7. The name of the external consultant and the duties of the consultant related to the Remuneration policy, if the Bank uses the services of an external consultant	403	
	8. The Remuneration Package and facilities received by the Board of Directors and Board of Commissioners include the Remuneration structure and details of the nominal amount.	403	
	9. Variable Remuneration includes: a. Forms of Variable Remuneration along with the reasons for choosing this form. And b. An explanation if there are differences in the provision of Variable Remuneration among the Directors, Board of Commissioners and/or Employees.	403	
	10. the number of Directors, Board of Commissioners and Employees who receive Variable Remuneration for 1 (one) year, and the total amount.	404	
	11. Position and number of parties who are material risk takers.	404	
	12. <i>Shares option</i> owned by the Board of Directors, Board of Commissioners and Executive Officers.	404	
	13. The ratio of the highest and lowest salaries	404	

Criteria	Explanation	Page	Regulations
	14. The number of beneficiaries and the total amount of Variable Remuneration guaranteed unconditionally will be given by the Bank to candidates for the Board of Directors, candidates for the Board of Commissioners, and/or prospective Employees during the first 1 (one) year of work	404	
	15. The number of employees affected by termination of employment and the total amount of severance paid	404	
	16. The total amount of deferred Variable Remuneration, which consists of cash and/or shares or share-based instruments issued by the Bank.	404	
	17. The total amount of deferred Variable Remuneration paid for 1 (one) year.	405	
	18. Details of the amount of Remuneration given in one year include: a. Fixed or variable remuneration. b. Deferred and non-deferred remuneration. c. Forms of Remuneration provided in cash and/or shares or share-based instruments issued by the Bank.	405	
	19. Quantitative information about: a. The total remaining Remuneration that is still suspended, both exposed to implicit and explicit adjustments. b. Total reduction in Remuneration caused by explicit adjustments during the reporting period. c. Total reduction in Remuneration caused by implicit adjustments during the reporting period.	405	
A brief description of the policy of providing performance-based long-term compensation to management and/or employees owned by issuers or public companies (if any), including but not limited to management stock ownership programs <i>program ownership/MSOP</i> and/or employee stock ownership program (ESOP).	In terms of compensation in the form of management stock ownership program (MSOP) and/or employee stock ownership program (ESOP). The information disclosed shall contain at least: 1. Number of shares and/or options. 2. Implementation period. 3. Eligible employee and/or management requirements. 4. The exercise price or the determination of the exercise price.	434-435	SEOJK 16
A brief description of the Information disclosure policy regarding	1. Share ownership of members of the Board of Directors and members of the Board of Commissioners no later than 3 (three) working days after the ownership or any change in ownership of the shares of the Public Company. 2. Implementation of the intended policy.	343-344	SEOJK 16
Description of the whistleblowing system at the Issuer or Public Company.	1. How to submit a violation report. 2. Protection for reporters. 3. The handling of complaints. 4. The party managing the complaint. 5. The results of handling complaints, at least: a. Number of complaints received and processed in the financial year. b. Complaint follow-up.	435 435-436 436 437 437	SEOJK 16
	In the event that an issuer or a public company does not have a whistleblowing system, this will be disclosed.		
Description of the Issuer's or Public Company's anti-corruption policy.	1. Programs and procedures carried out in Overcoming corrupt practices, kickbacks, fraud, bribery and/or gratuities in Issuers or Public Companies. 2. Anti-corruption training/socialization for employees of Issuers or Public Companies.	437-440 440	SEOJK 16
	In the event that the Issuer or Public Company does not have an anti-corruption policy, the reasons for not having the said policy will be explained.		

Criteria	Explanation	Page	Regulations
Provision of funds to related parties and provision of large funds (large exposure).	Information that needs to be disclosed is the total amount of debit balances for provision of funds to related parties and to core debtors (individuals or groups) per report position	441	SEOJK 13
Transparency of the Bank's financial and non-financial conditions that have not been disclosed in other reports.		441	SEOJK 13
Other information related to Bank Governance, including owner intervention, internal disputes or problems that arise as a result of remuneration policies at the Bank.		441	SEOJK 13
Number of Deviations (Internal Fraud).	Disclosure of irregularities (internal fraud) at least includes: 1. Number of deviations (internal fraud) that have been resolved. 2. The number of irregularities (internal fraud) that are in the process of being resolved internally at the bank. 3. Number of irregularities (internal fraud) that have not been resolved internally at the bank. 4. The number of irregularities (internal fraud) that have been followed up through the legal process.	440	
Buy Back of Shares and/or Bank Bonds.	1. Policy in buying back shares or bonds of the Bank. 2. Number of shares and/or bonds bought back. 3. Repurchase price per share and/or bond. 4. Increase in earnings per share and/or bonds.	441	SEOJK 13
Provision of Funds for Social Activities and/or Political Activities During the Reporting Period.	Disclosure regarding the provision of funds for social activities and/or political activities at least includes the recipient of the funds and the amount of funds provided.	441	SEOJK 13
Implementation of Public Company governance guidelines for Issuers that issue equity securities or Public Companies.	1. Statement regarding recommendations that have been implemented and/or 2. Explanation of recommendations that have not been implemented, accompanied by reasons and alternatives for implementation (if any). Disclosure of information can be presented in tabular form.	442-450	SEOJK 16
GCG Implementation Assessment for the financial year 2021 covering at least the aspects of the Board of Commissioners and the Board of Directors.	Contains descriptions of: 1. The criteria used in the assessment 2. The party making the assessment 3. Assessment score of each criterion 4. Recommendations on the results of the assessment 5. Reasons for not implementing the recommendations.	452-453	
CORPORATE SOCIAL RESPONSIBILITY			
Corporate Social Responsibility	Presented in the Sustainability Report		SEOJK 16
FINANCIAL INFORMATION			
Statement of the Board of Directors and/or Board of Commissioners regarding Responsibility for Financial Statements.	Compliance with relevant regulations regarding Responsibility for Financial Statements.	FS Pages Directors' Statement Letter	
Independent auditor's opinion on financial statements.		FS Pages of Opinion	
Description of the Independent Auditor in Opinion.	Description contains about: 1. Name and signature. 2. Audit Report Date 3. KAP license number and Public Accountant license number.	FS Pages of Opinion	



Criteria	Explanation	Page	Regulations
Complete financial reports.	Completely contains the elements of financial statements:		
	1. Statement of financial position.	FS Pages 1-2	
	2. Statement of profit or loss and other comprehensive income.	FS Pages 3	
	3. Statement of Changes in Equity.	FS Pages 4	
	4. Cash flow statement.	FS Pages 5-6	
	5. Notes to financial statements.	FS Pages 7-194	
	6. Comparative information about previous periods.	FS Pages 1-194	
Comparison of profitability levels.	7. Statement of financial position at the beginning of the previous period when the entity retrospectively applies an accounting policy or restates financial statement items, or when the entity reclassifies items in its financial statements (if relevant).	N/A	
	Comparison of performance/profit (loss) for the current year with the previous year	FS Pages 3	
Cash flow statement.	Meet the following conditions:		
	1. Grouping in three activity categories: operating, investing, and financing.		
	2. Use of 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.		
	4. Disclosure of non-cash transactions must be included in the notes to the financial statements.		
Summary of Accounting Policies.	Covers at least:		
	1. Statement of compliance with SAK.		
	2. Basis of measurement and preparation of financial reports.		
	3. Income tax.		
	4. Employee benefits.		
Disclosure of related party transactions.	5. Financial Instruments.		
	The things that were disclosed included:		
	1. Names of related parties, as well as the nature and relationship with related parties.		
	2. The transaction value and its percentage to the total related income and expenses.		
Disclosures related to taxation.	3. The amount of the balance and its percentage to the related total assets or liabilities.		
	Things to disclose:		
	1. Fiscal reconciliation and calculation of current tax expense.		
	2. Explanation of the relationship between tax expense (income) and accounting profit.		
	3. A statement that the taxable profit (LKP) resulting from the reconciliation is 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 the statement of profit or loss if this amount is not evident from the amount of deferred tax assets or liabilities recognized in the statement of financial position.		
	5. Disclosure of whether or not there is a tax dispute.		

Criteria	Explanation	Page	Regulations
Disclosures related to fixed assets.	Things to disclose:		
	1. Depreciation method used.		
	2. 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 fixed assets (for the revaluation model) or disclosure of the fair value of fixed assets (for the cost model).	FS Pages 37-38, 88-92	
	4. Reconciliation of gross carrying amount and accumulated depreciation of fixed assets at the beginning and end of the period showing: additions, deductions and reclassifications.		
Disclosures related to operating segments.	Things to disclose:		
	1. General information which includes the factors used to identify the reportable segment.		
	2. Information about the segment's reported profit or loss, assets and liabilities.	FS Pages 52-53, 132-133	
	3. Reconciliation of segment total revenue, segment reported profit or loss, segment assets, segment liabilities and other material segment items to the related amounts within the entity.		
	4. Disclosure at the entity level, which includes information about products and/or services, geographic areas and main customers.		
Disclosure related to Financial Instruments.	Things to disclose:		
	1. Details of owned financial instruments based on their classification.	FS Pages 16-23	
	2. Fair value and its hierarchy for each class of financial instruments.	FS Pages 21-22, 54, 168-170	
	3. Explanation of the risks associated with financial instruments: market risk, credit risk and liquidity risk.	FS Pages 133-162	
	4. Risk management policy.	FS Pages 133	
	5. Quantitative analysis of risks associated with financial instruments.	FS Pages 133-162	
Issuance of financial reports.	The things that were disclosed included:		
	1. The date the financial statements were authorized for issue.	FS Pages	Directors' Statement Letter
	2. The party responsible for authorizing the financial statements.		

INFORMATION

SEOJK 16	:	Financial Services Authority Circular No. 16/SEOJK.04/2021 concerning Form and Content of Annual Reports of Issuers or Public Companies.
SEOJK 9	:	Financial Services Authority Circular No. 9/SEOJK.03/2020 concerning Transparency and Publication of Conventional Commercial Bank Reports.
SEOJK 13	:	Financial Services Authority Circular No. 13/SEOJK.03/2017 concerning Implementation of Governance for Commercial Banks.
POJK 45	:	Financial Services Authority Regulation No. 45/POJK.03/2015 concerning Implementation of Governance in Providing Remuneration for Commercial Banks.
SK 16	:	Copy of Decree of the Secretary of the Ministry of State-Owned Enterprises No. SK-16/S.MBU/2021 concerning Parameter Indicators for Assessment and Evaluation of the Implementation of Good Corporate Governance in State-Owned Enterprises.



Laporan Keuangan

31 Desember 2022 dan 2021

dan untuk tahun yang berakhir pada tanggal-tanggal tersebut
beserta laporan auditor independen/

Financial Statements

as of December 31, 2022 and 2021

and for the years then ended with independent auditor's report

PT Bank Pembangunan Daerah Jawa Timur Tbk

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
LAPORAN KEUANGAN
Tanggal 31 Desember 2022 dan 2021
dan untuk tahun yang berakhir
pada tanggal-tanggal tersebut
beserta laporan auditor independen
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
FINANCIAL STATEMENT
As of December 31, 2022 and 2021
and for the years
then ended
with independent auditor's report
(Expressed in millions of Rupiah, unless otherwise stated)**

Daftar Isi/ Table of Contents

	Halaman/ Page	
Surat Pernyataan Direksi		<i>Board of Director's Statement</i>
Laporan Auditor Independen		<i>Independent Auditor's Report</i>
Laporan Posisi Keuangan	1 - 2	<i>Statement of Financial Position</i>
Laporan Laba Rugi dan Penghasilan Komprehensif Lain	3	<i>Statement of Profit or Loss and Other Comprehensive Income</i>
Laporan Perubahan Ekuitas	4	<i>Statement of Changes in Equity</i>
Laporan Arus Kas	5 - 6	<i>Statement of Cash Flows</i>
Catatan atas Laporan Keuangan	7 - 194	<i>Notes to the Financial Statements</i>

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN TANGGAL
31 DESEMBER 2022 DAN 2021
DAN UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL-TANGGAL TERSEBUT**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**

**BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR
THE FINANCIAL STATEMENT
DECEMBER 31, 2022 AND 2021
AND FOR THE YEARS THEN ENDED**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**

Kami yang bertanda tangan dibawah ini :

1. Nama : R. Arief Wicaksono
Alamat kantor : Jl. Basuki Rahmad 98-104
Surabaya
Alamat domisili : Jl. Anggur No. 2
Sidoarjo
Nomor telepon : (031) 5310090 ext. 242
Jabatan : Pgs. Direktur Utama
2. Nama : Zulhelfi Abidin
Alamat kantor : Jl. Basuki Rahmad 98-104
Surabaya
Alamat domisili : Jl. Durian Blok E3
Jakarta Selatan
Nomor telepon : (031) 5310090 ext. 231
Jabatan : Pgs. Direktur Utama
3. Nama : Edi Masrianto
Alamat kantor : Jl. Basuki Rahmad 98-104
Surabaya
Alamat domisili : Jl. Manyar Tirtoyoso Utara 8 No. 28
Surabaya
Nomor telepon : (031) 5310090 ext. 208
Jabatan : Direktur Keuangan, Treasury dan
Global Services

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk;
2. Laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk telah dimuat secara lengkap dan benar;
b. Laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian internal dalam PT Bank Pembangunan Daerah Jawa Timur Tbk.

Demikian pernyataan ini dibuat dengan sebenarnya.

We, the undersigned :

1. Name : R. Arief Wicaksono
Office address : Jl. Basuki Rahmad 98-104
Surabaya
Residential address : Jl. Anggur No. 2
Sidoarjo
Telephone : (031) 5310090 ext. 242
Position : Temporary Replacement of
President Director
2. Name : Zulhelfi Abidin
Office address : Jl. Basuki Rahmad 98-104
Surabaya
Residential address : Jl. Durian Blok E3
South Jakarta
Telephone : (031) 5310090 ext. 231
Position : Temporary Replacement of
President Director
3. Name : Edi Masrianto
Office address : Jl. Basuki Rahmad 98-104
Surabaya
Residential address : Jl. Manyar Tirtoyoso Utara 8
No. 28 Surabaya
Telephone : (031) 5310090 ext. 208
Position : Director of Finance, Treasury and
Global Services

Declare that:

1. We are responsible for the preparation and presentation of financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk;
2. The financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk have been disclosed in a complete and truthful manner;
b. The financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk do not contain any incorrect information or material facts, nor do they omit any information or material facts;
4. We are responsible for PT Bank Pembangunan Daerah Jawa Timur Tbk internal control system.

This statement has been made truthfully.

Atas nama dan mewakili Direksi / For and on behalf of the Board of Directors
Surabaya, 13 Februari 2023 / February 13, 2023


R. Arief Wicaksono
 Pgs. Direktur Utama / Temporary Replacement of
 President Director


Zulhelfi Abidin
 Pgs. Direktur Utama / Temporary Replacement of
 President Director


Edi Masrianto
 Direktur Keuangan, Treasury dan Global Services/
 Director of Finance, Treasury dan Global Services

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan



Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 856/KM.1/2017

No : 00051/2.1133/AU.1/07/0354-1/1/II/2023

Laporan Auditor Independen

Pemegang Saham, Dewan Komisaris dan Direksi

PT Bank Pembangunan Daerah Jawa Timur Tbk

Opini

Kami telah mengaudit laporan keuangan PT Bank Pembangunan Daerah Jawa Timur Tbk ("Bank"), yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2022, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut serta catatan atas laporan keuangan, termasuk ikhtisar kebijakan akuntansi signifikan.

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 2022 serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Basis opini

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Tanggung jawab kami menurut standar tersebut diuraikan lebih lanjut dalam paragraf Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan pada laporan kami. Kami independen terhadap Bank berdasarkan ketentuan etika yang relevan dalam audit kami atas laporan keuangan di Indonesia, dan kami telah memenuhi tanggung jawab etika lainnya berdasarkan ketentuan tersebut. Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Independent Auditors' Report

The Shareholders, Boards of Commissioners and Directors

PT Bank Pembangunan Daerah Jawa Timur Tbk

Opinion

We have audited the financial statements of PT Bank Pembangunan Daerah Jawa Timur Tbk (the "Bank"), which comprise the statement of financial position as at December 31, 2022 and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Bank Pembangunan Daerah Jawa Timur Tbk as at December 31, 2022 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan



Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 855/KM.1/2017

Hal audit utama

Hal audit utama adalah hal-hal yang, menurut pertimbangan profesional kami, merupakan hal yang paling signifikan dalam audit kami atas laporan keuangan periode ini. Hal-hal tersebut disampaikan dalam konteks audit kami atas laporan keuangan secara keseluruhan, dan dalam merumuskan opini kami atas laporan keuangan terkait, kami tidak menyatakan suatu opini terpisah atas hal audit utama tersebut.

Hal audit utama yang dapat teridentifikasi dalam audit kami dijabarkan dibawah ini.

Kerugian kredit ekspektasian ("KKE") – cadangan kerugian penurunan nilai atas kredit yang diberikan

Seperti yang dijelaskan dalam Catatan 2m (ikhtisar kebijakan akuntansi signifikan – identifikasi dan pengukuran kerugian penurunan nilai) dan Catatan 12 (kredit yang diberikan dan pembiayaan syariah) atas laporan keuangan, pada tanggal 31 Desember 2022, cadangan kerugian penurunan nilai atas kredit yang diberikan Bank adalah sebesar Rp1.235.403 juta. Cadangan kerugian penurunan nilai atas kredit yang diberikan yang diukur pada biaya perolehan diamortisasi ditentukan oleh Bank berdasarkan Kerugian Kredit Ekspektasian ("KKE") berdasarkan PSAK 71, "Instrumen Keuangan" ("PSAK 71").

Kami fokus pada area ini karena besarnya nilai tercatat atas kredit yang diberikan, yang mewakili 42,99% dari total aset Bank, dan besarnya nilai cadangan kerugian penurunan nilai yang dibentuk atas kredit tersebut yang diukur pada biaya perolehan diamortisasi, yang nilainya signifikan terhadap laporan keuangan Bank. Lebih lanjut penentuan KKE membutuhkan pertimbangan manajemen yang subyektif dan melibatkan penggunaan estimasi dengan tingkat ketidakpastian yang tinggi.

Bank menghitung KKE untuk kredit yang diberikan yang tidak memburuk dan kredit yang diberikan yang memburuk. Untuk kredit yang diberikan tidak memburuk dan kredit yang diberikan yang memburuk, yang secara individual tidak dianggap signifikan, Bank menghitung KKE secara kolektif menggunakan parameter risiko yang menggunakan model parameter risiko yang menggunakan beberapa parameter utama, antara lain, *probability of default*, *loss given default*, *exposure at default* dan tingkat diskonto, setelah memperhitungkan faktor masa depan dan data eksternal lainnya.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit is outlined below.

Expected credit losses ("ECL") – allowance for impairment losses of loans

As described in Note 2m (summary of significant accounting policies – identification and measurement of impairment losses) and Note 12 (loans and sharia financing) to the financial statements, as at December 31, 2022, the allowance for impairment losses for loans of the Bank was Rp1,235,403 million. These allowance for impairment losses for loans measured at amortised cost are determined by the Bank based on the Expected Credit Losses ("ECL") framework under PSAK 71, "Financial Instruments" ("PSAK 71").

We focused on this area due to the size of the carrying value of loans, which represented 42.99% of total assets of the Bank, and the respective allowance for impairment losses provided against the loans measured at amortised cost, which are significant to the Bank's financial statements. In addition, determining ECL involves subjective management judgement and is subject to high degree of estimation uncertainty.

The Bank calculates ECL for both non-credit-impaired and credit-impaired loans. For non-credit-impaired loans and or credit-impaired loans which are not considered individually significant, the Bank assesses collective ECL using the risk parameter modeling approach that incorporates key parameters, including probability of default, loss given default, exposure at default and discount rate, after considering forward looking factors and other external information.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan

Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 855/KM.1/2017

Untuk kredit yang memburuk, yang secara individual dianggap signifikan, Bank menghitung KKE secara individual dengan mengestimasi arus kas ekspektasi dari kredit yang diberikan. Bank menggunakan pendekatan yang konsisten dalam menghitung KKE untuk aset keuangan lainnya yang diukur pada biaya perolehan diamortisasi.

Pertimbangan-pertimbangan signifikan yang digunakan dalam menentukan KKE meliputi:

- Mengembangkan model penilaian kolektif yang tepat untuk menghitung KKE. Model yang dikembangkan secara inheren kompleks dan melibatkan pertimbangan manajemen dalam menyusun model tersebut;
- Mengidentifikasi kredit yang diberikan yang diukur pada biaya perolehan diamortisasi yang telah mengalami peningkatan risiko kredit secara signifikan; dan
- Asumsi-asumsi yang digunakan dalam model KKE seperti proyeksi arus kas masa depan yang diharapkan, perkiraan faktor ekonomi makro masa depan, beberapa skenario probabilitas tertimbang dan penyesuaian overlay KKE yang dibuat.

Bagaimana audit kami merespons Hal Audit Utama

Kami melakukan prosedur-prosedur audit berikut untuk merespons hal audit utama ini:

- Kami memahami dan menguji pengendalian yang relevan atas identifikasi aset keuangan yang mengalami peningkatan risiko kredit secara signifikan atau bukti obyektif penurunan nilai, melalui pengujian atas pengendalian penetapan rating internal dan melakukan pemeriksaan secara sampling atas dokumen perjanjian. Kami memeriksa sampel atas aset keuangan yang diidentifikasi oleh Bank memiliki kualitas kredit yang lebih rendah dan direstrukturisasi, debitur di industri bersisiko tinggi yang terkena dampak COVID-19 dan membuat penilaian independen kami terhadap peningkatan risiko kredit secara signifikan atau terdapat bukti obyektif penurunan nilai.
- Ketika bukti obyektif penurunan nilai diidentifikasi oleh Bank dan kerugian penurunan nilai dihitung secara individual, kami menilai kecukupan penyisihan penurunan nilai dengan memeriksa baik jumlah dan waktu arus kas masa depan yang digunakan oleh Bank dalam perhitungan kerugian penurunan nilai, menguji

For credit-impaired loans, which are considered individually significant, the Bank assesses individual ECL by estimating the expected cash flows obtained from the loans. The Bank uses a consistent approach in calculating ECL for other financial assets measured at amortised cost.

The significant judgements involved in determining the ECL include the following:

- *Developing appropriate collective assessment models used to calculate ECL. The models are inherently complex, and management's judgement is applied in determining the models;*
- *Identification of loans measured at amortised cost that have experienced a significant increase in credit risk; and*
- *Assumptions used in the ECL models such as expected future cash flows, forward-looking macroeconomic factors, probability weighted multiple scenarios and ECL overlay adjustments made.*

How our audit addressed the Key Audit Matters

We have performed the following audit procedures to address this key audit matter:

- *We understood and tested the relevant controls over the identification of financial assets that have experienced a significant increase in credit risk or objective evidence of impairment by performing control testing over internal rating process and examining the credit files on sampling basis. We examined samples of financial assets identified by the Bank as having lower credit quality and restructured, debtors in high-risk industries impacted by COVID-19 and formed our own independent judgement as to whether there was a significant increase in credit risk or any objective evidence of impairment.*
- *Where objective evidence of impairment was identified by the Bank and impairment loss was individually calculated, we assessed the adequacy of impairment allowance by examining both the quantum and timing of future cash flows used by the Bank in the impairment loss calculation, challenging the probability-weighted*

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan

Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 855/KM.1/2017

rata-rata probabilitas tertimbang yang digunakan dalam menyusun arus kas, termasuk membandingkan rencana waktu pembayaran dan menggunakan faktor diskonto dengan perjanjian kredit.

- Kami menilai dan menguji metodologi dan asumsi pemodelan signifikan yang digunakan dalam model KKE, termasuk penentuan *probability of default*, *loss given default* dan *exposure at default*, yang diterapkan terhadap persyaratan PSAK 71, yang melibatkan (i) evaluasi model dan metodologi yang digunakan dalam perhitungan kuantitatif; (ii) evaluasi kewajaran prakiraan ekonomi makro Indonesia dengan membandingkan prakiraan dengan informasi yang tersedia untuk umum; dan (iii) menguji kelengkapan dan keakuratan data yang digunakan dalam estimasi untuk memastikan *input* data yang digunakan dalam perhitungan KKE adalah sesuai dengan data aktual yang tersedia di Bank.
- Kami menilai dan mempertimbangkan penentuan asumsi prakiraan masa depan.
- Kami memeriksa keakuratan data dan perhitungan jumlah KKE, dengan melakukan perhitungan ulang atas keseluruhan portofolio yang penurunan nilainya dinilai secara kolektif.

outcome used in preparing the cash flows, including comparing the schedule of repayment and the discount factor used to the loan agreement.

- *We assessed and tested the methodologies and significant modeling assumptions inherent within the ECL models, which include determination of probability of default, loss given default and exposure at default, which applied against the requirements of PSAK 71, which involved (i) evaluating the models and methodologies used in quantitative calculations; (ii) evaluating the forecasts of Indonesia macroeconomics by comparing forecasts with publicly available information; and (iii) testing the completeness and accuracy of data used in the estimate in ensuring the data input used in the ECL calculation is consistent with the actual data available within the Bank.*
- *We assessed and considered the determination of forward-looking forecasts assumptions.*
- *We checked the accuracy of data and calculation of the ECL amount, by recalculating the collective impairment assessment for the portfolio.*

Hal lain

Laporan keuangan Bank tanggal 31 Desember 2021 yang disajikan sebagai angka-angka koresponding terhadap laporan keuangan tanggal 31 Desember 2022 dan untuk tahun yang berakhir pada tanggal tersebut, diaudit oleh auditor independen lain yang laporannya bertanggal 31 Januari 2022 menyatakan opini tanpa modifikasi atas laporan keuangan tersebut.

Informasi lain

Manajemen bertanggung jawab atas informasi lain. Informasi lain terdiri dari informasi yang tercantum dalam laporan tahunan, tetapi tidak termasuk laporan keuangan dan laporan auditor kami. Laporan tahunan diharapkan akan tersedia bagi kami setelah tanggal laporan auditor ini.

Opini kami atas laporan keuangan tidak mencakup informasi lain, dan oleh karena itu, kami tidak menyatakan bentuk keyakinan apapun atas informasi lain tersebut.

Other matter

The financial statements of the Bank as of December 31, 2021 which are presented as corresponding figures to the financial statements as at December 31, 2022 and for the year then ended, were audited by other independent auditor, whose report dated January 31, 2022 expressed an unmodified opinion on those financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan



Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 855/KM.1/2017

Sehubungan dengan audit kami atas laporan keuangan, tanggung jawab kami adalah untuk membaca informasi lain yang teridentifikasi di atas, jika tersedia dan, dalam melaksanakannya, mempertimbangkan apakah informasi lain mengandung ketidakkonsistensian material dengan laporan keuangan atau pemahaman yang kami peroleh selama audit, atau mengandung kesalahan penyajian material.

Ketika kami membaca laporan tahunan, jika kami menyimpulkan bahwa terdapat suatu kesalahan penyajian material di dalamnya, kami diharuskan untuk mengomunikasikan hal tersebut kepada pihak yang bertanggung jawab atas tata kelola dan mengambil tindakan tepat berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia.

Tanggung jawab manajemen dan pihak yang bertanggung jawab atas tata kelola terhadap laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Dalam penyusunan laporan keuangan, manajemen bertanggung jawab untuk menilai kemampuan Bank dalam mempertahankan kelangsungan usahanya, mengungkapkan, sesuai dengan kondisinya, hal-hal yang berkaitan dengan kelangsungan usaha, dan menggunakan basis akuntansi kelangsungan usaha, kecuali manajemen memiliki intensi untuk melikuidasi Bank atau menghentikan operasi, atau tidak memiliki alternatif yang realistis selain melaksanakannya.

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Bank.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan



Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 855/KM.1/2017

Tanggung jawab auditor terhadap audit atas laporan keuangan

Tujuan kami adalah untuk memperoleh keyakinan memadai tentang apakah laporan keuangan secara keseluruhan bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan, dan untuk menerbitkan laporan auditor yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit akan selalu mendeteksi kesalahan penyajian material ketika hal tersebut ada. Kesalahan penyajian dapat disebabkan oleh kecurangan maupun kesalahan dan dianggap material jika, baik secara individual maupun secara agregat, dapat diekspektasikan secara wajar akan memengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan tersebut.

Sebagai bagian dari suatu audit berdasarkan Standar Audit, kami menerapkan pertimbangan profesional dan mempertahankan skeptisisme profesional selama audit. Kami juga:

- Mengidentifikasi dan menilai risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan, mendesain dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memperoleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya kesalahan penyajian material yang disebabkan oleh kecurangan lebih tinggi dari yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.
- Memperoleh suatu pemahaman tentang pengendalian internal yang relevan dengan audit untuk mendesain prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal Bank.
- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan



Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 855/KM.1/2017

- Menyimpulkan ketepatan penggunaan basis akuntansi kelangsungan usaha oleh manajemen dan, berdasarkan bukti audit yang diperoleh, apakah terdapat suatu ketidakpastian material yang terkait dengan peristiwa atau kondisi yang dapat menyebabkan keraguan signifikan atas kemampuan Bank untuk mempertahankan kelangsungan usahanya. Ketika kami menyimpulkan bahwa terdapat suatu ketidakpastian material, kami diharuskan untuk menarik perhatian dalam laporan auditor kami ke pengungkapan terkait dalam laporan keuangan atau, jika pengungkapan tersebut tidak memadai, harus menentukan apakah perlu untuk memodifikasi opini kami. Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan Bank tidak dapat mempertahankan kelangsungan usaha.
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank continue as a going concern.*
- Mengevaluasi penyajian, struktur dan isi laporan keuangan secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.
- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

Kami mengomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit, serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kami juga memberikan suatu pernyataan kepada pihak yang bertanggung jawab atas tata kelola bahwa kami telah mematuhi ketentuan etika yang relevan mengenai independensi, dan mengomunikasikan seluruh hubungan, serta hal-hal lain yang dianggap secara wajar berpengaruh terhadap independensi kami, dan, jika relevan, pengamanan terkait.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Dari hal-hal yang dikomunikasikan kepada pihak yang bertanggung jawab atas tata kelola, kami menentukan hal-hal tersebut yang paling signifikan dalam audit atas laporan keuangan periode kini dan oleh karenanya menjadi hal audit utama. Kami menguraikan hal audit utama dalam laporan auditor kami, kecuali peraturan perundang-undangan melarang pengungkapan publik tentang hal tersebut atau ketika, dalam kondisi yang sangat jarang terjadi, kami menentukan bahwa suatu hal tidak

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan

PKF

Registered Public Accountants
Decree of the Finance Minister of the Republic of Indonesia No. 855/KM.1/2017

boleh dikomunikasikan dalam laporan kami karena konsekuensi merugikan dari mengomunikasikan hal tersebut akan diekspektasikan secara wajar melebihi manfaat kepentingan publik atas komunikasi tersebut.

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan



Ary Daniel Hartanto, S.E., Ak., CA, CPA, SAS
Registrasi Akuntan Publik / Public Accountant Registration No.AP.0354
13 Februari 2023 / February 13, 2023

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
LAPORAN POSISI KEUANGAN
31 Desember 2022 dan 2021**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF FINANCIAL POSITION
December 31, 2022 and 2021**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2022	2021 ¹⁾	2020 ¹⁾	
ASET					ASSETS
Kas	2b, 2d, 2f, 3, 44, 45	1.988.262	2.023.077	2.511.548	Cash
Giro pada Bank Indonesia	2b, 2d, 2g, 4, 43, 44, 45	10.786.740	8.805.300	3.659.968	Current accounts with Bank Indonesia
Giro pada bank lain	2b, 2c, 2d, 2g, 5, 42, 43, 44	303.129	211.681	237.715	Current accounts with other banks
Cadangan kerugian penurunan nilai	2m, 5, 42e	(441)	(238)	(53)	Allowance for impairment losses
		<u>302.688</u>	<u>211.443</u>	<u>237.662</u>	
Penempatan pada Bank Indonesia dan bank lain	2b, 2c, 2d, 2h, 6, 43, 44, 45	6.916.329	9.917.695	6.884.658	Placements with Bank Indonesia and other banks
Cadangan kerugian penurunan nilai	2m, 6, 43e	(3.154)	(1.763)	(795)	Allowance for impairment losses
		<u>6.913.175</u>	<u>9.915.932</u>	<u>6.883.863</u>	
Tagihan spot dan derivatif	7	361	-	-	Receivables of spot and derivatif
Surat berharga	2b, 2c, 2d, 2i, 8, 43, 44, 45	23.217.671	32.388.966	14.666.737	Marketable securities
Cadangan kerugian penurunan nilai	2m, 8, 43e	(400)	(5.943)	(8.118)	Allowance for impairment losses
		<u>23.217.271</u>	<u>32.383.023</u>	<u>14.658.619</u>	
Surat berharga yang dijual dengan janji dibeli kembali	2d, 2j, 9	4.095.066	-	-	Marketable securities sold under repurchased agreement
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali	2d, 10, 43, 45	7.822.847	3.420.685	12.573.044	Receivable from marketable securities purchased under resale agreement
Tagihan lainnya	2d, 2k, 11, 43, 44	286.147	230.019	131.932	Other receivables
Kredit yang diberikan dan pembiayaan syariah					Loans and sharia financing
- Pihak berelasi	2c, 2d, 2e, 24, 12, 40, 43, 44,	134.871	182.889	285.595	Related parties -
- Pihak ketiga	45	46.061.786	42.566.670	41.195.171	Third parties -
Jumlah		<u>46.196.657</u>	<u>42.749.559</u>	<u>41.480.766</u>	Total
Cadangan kerugian penurunan nilai	2m, 12, 43e	(1.318.612)	(1.831.417)	(1.454.721)	Allowance for impairment losses
		<u>44.878.045</u>	<u>40.918.142</u>	<u>40.026.045</u>	
Pendapatan bunga yang masih akan diterima	2b, 2d, 13, 43, 44, 45	646.125	793.900	555.020	Accrued interest income
Biaya dibayar dimuka	2n, 14	166.661	134.200	227.932	Prepaid expenses
Aset tetap					Fixed assets
Biaya perolehan	2p, 2o, 15	2.109.260	1.906.263	1.882.572	Cost
Akumulasi penyusutan		(825.010)	(762.052)	(676.592)	Accumulated depreciation
Nilai buku		<u>1.284.250</u>	<u>1.144.211</u>	<u>1.205.980</u>	Net book value
Aset pajak tangguhan, neto	2x, 22g	502.238	627.211	591.676	Deferred tax assets, net
Piutang pajak	22a	493	412	65	Tax receivables
Aset lain-lain, neto	16	140.998	115.775	356.098	Other assets, net
JUMLAH ASET		<u>103.031.367</u>	<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
31 Desember 2022 dan 2021**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF FINANCIAL POSITION
December 31, 2022 and 2021**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2022	2021 ¹⁾	2020 ¹⁾	
LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS					LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY
LIABILITAS					LIABILITIES
Liabilitas segera	2q, 17, 44, 45	872.514	593.875	484.834	Obligations due immediately
Simpanan dari nasabah					Deposits from customers
- Pihak berelasi	2b, 2d, 2e	15.295.405	17.719.735	14.373.446	Related parties -
- Pihak ketiga	2r, 18, 40, 44, 45	64.630.285	63.668.950	52.412.975	Third parties -
		<u>79.925.690</u>	<u>81.388.685</u>	<u>66.786.421</u>	
Simpanan dari bank lain					Deposits from other banks
- Pihak berelasi	2d, 2e, 2s	141.996	360.169	238.860	Related parties -
- Pihak ketiga	19, 40, 44, 45	3.168.842	3.775.548	2.576.134	Third parties -
		<u>3.310.838</u>	<u>4.135.717</u>	<u>2.814.994</u>	
Liabilitas surat berharga yang dijual dengan janji dibeli kembali	2d, 20	3.891.346	-	-	Liabilities of marketable securities sold under repurchase agreement
Pinjaman yang diterima	2d, 2t, 21, 44, 45	631.464	655.288	631.355	Borrowings
Utang pajak	2x, 22b	90.783	165.476	93.135	Taxes payable
Beban yang masih harus dibayar	2d, 23, 44, 45	520.840	478.647	484.666	Accrued expenses
Liabilitas lain-lain	2b, 2d, 2z, 2ad, 24, 44, 45	472.054	529.738	596.630	Other liabilities
JUMLAH LIABILITAS		89.715.529	87.947.426	71.892.035	TOTAL LIABILITIES
DANA SYIRKAH TEMPORER					TEMPORARY SYIRKAH FUNDS
Simpanan dari nasabah	2u, 25				Deposits from customers
- Pihak berelasi		2.302	3.021	1.686	Related parties -
- Pihak ketiga		1.839.390	1.810.161	1.680.173	Third parties -
		<u>1.841.692</u>	<u>1.813.182</u>	<u>1.681.859</u>	
Simpanan dari bank lain					Deposits from other banks
- Pihak ketiga	2u, 25	28.285	52.183	40.610	Third parties -
		<u>28.285</u>	<u>52.183</u>	<u>40.610</u>	
TOTAL DANA SYIRKAH TEMPORER		1.869.977	1.865.365	1.722.469	TOTAL TEMPORARY SYIRKAH FUNDS
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	26	3.753.875	3.753.875	3.753.875	Series B - 3,081,350,100 shares -
Tambahan modal disetor - neto	2aa, 27	532.734	532.734	532.734	Paid-in capital - net
Surplus revaluasi aset tetap		789.998	749.717	754.382	Revaluation surplus of fixed assets
Pengukuran kembali liabilitas imbalan kerja pasti - setelah pajak tangguhan		(100.912)	(163.811)	(197.081)	Remeasurement of defined employee benefit liability - net of deferred tax
Keuntungan (kerugian) yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain - setelah pajak tangguhan		(115.048)	213.177	125.753	Unrealized gain (loss) financial assets measured at fair value through other comprehensive income - net of deferred tax
Saldo laba					Retained earnings
Cadangan umum		5.042.390	4.301.777	3.546.323	General reserve
Belum ditentukan penggunaannya		1.542.824	1.523.070	1.488.962	Unappropriated
JUMLAH EKUITAS		11.445.861	10.910.539	10.004.948	TOTAL EQUITY
JUMLAH LIABILITAS, DANA SYIRKAH TEMPORER DAN EKUITAS		103.031.367	100.723.330	83.619.452	TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY

¹⁾ Reklasifikasi akun (Catatan 60)

Reclassification of accounts (Note 60) ¹⁾

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 2022 dan 2021**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the years then ended
December 31, 2022 and 2021**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2022	2021	
Pendapatan bunga dan syariah	2e, 2v, 2x, 30, 40	6.882.651	6.655.168	Interest and sharia income
Beban bunga dan syariah	2e, 2v, 31, 40	(1.965.595)	(1.977.487)	Interest and sharia expense
PENDAPATAN BUNGA DAN SYARIAH, NETO		4.917.056	4.677.681	INTEREST AND SHARIA INCOME, NET
PENDAPATAN OPERASIONAL LAINNYA				OTHER OPERATING INCOME
Pemulihan kerugian penurunan nilai atas aset keuangan	32	-	361.666	Reversal for impairment losses on financial assets
Administrasi giro, tabungan dan deposito	32	184.480	172.779	Current accounts, savings and deposits administration fees
Penerimaan kembali kredit hapus buku	32	56.653	55.003	Collection of loans written-off
Administrasi kredit	32	42.511	34.055	Loan administration fees
Provisi dan komisi selain dari kredit yang diberikan	2w, 34	11.105	5.225	Fees and commissions from other than loans
Lainnya	35	238.820	177.629	Others
JUMLAH PENDAPATAN OPERASIONAL LAINNYA		533.569	806.357	TOTAL OTHER OPERATING INCOME
BEBAN OPERASIONAL LAINNYA				OTHER OPERATING EXPENSES
Tenaga kerja dan tunjangan karyawan	2z, 34	(1.674.698)	(1.644.897)	Salaries and employee benefits
Umum dan administrasi	35	(1.229.388)	(1.078.820)	General and administrative
Penyisihan kerugian penurunan nilai atas aset keuangan	2m, 33	(404.659)	(819.201)	Provision for impairment losses on financial assets
Beban lainnya	36	(201.054)	(150.020)	Other expenses
JUMLAH BEBAN OPERASIONAL LAINNYA		(3.509.799)	(3.692.938)	TOTAL OTHER OPERATING EXPENSES
LABA OPERASIONAL		1.940.826	1.791.100	INCOME FROM OPERATIONS
PENDAPATAN (BEBAN) NON-OPERASIONAL				NON-OPERATING INCOME (EXPENSES)
Fee jasa pelayanan pajak	37	6.084	4.684	Tax service fees
Keuntungan atas penjualan aset tetap	37	5.274	3.952	Gain on sale of fixed asset - net
Keuntungan penjualan efek-efek neto	37	2.757	131	Gain on sale of securities - net
Keuntungan (kerugian) selisih kurs	2b, 37	-	3.497	Gain (loss) on foreign exchange
Pendapatan non-operasional lainnya	37	158.513	404.119	Non-operating income others
Beban non-operasional	37	(83.405)	(269.509)	Non-operating expenses
JUMLAH PENDAPATAN (BEBAN) NON OPERASIONAL		89.223	146.874	TOTAL NON OPERATING INCOME (EXPENSES)
LABA SEBELUM BEBAN PAJAK		2.030.049	1.937.974	INCOME BEFORE TAX EXPENSE
BEBAN PAJAK PENGHASILAN				INCOME TAX EXPENSES
Kini	2x, 22c, 22e	(307.452)	(474.145)	Current
Tangguhan		(179.773)	59.241	Deferred
		(487.225)	(414.904)	
LABA TAHUN BERJALAN		1.542.824	1.523.070	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		40.281	(4.665)	Revaluation surplus (deficit) of fixed assets
Pengukuran kembali liabilitas imbalan kerja		100.163	41.074	Remeasurement of employee benefit liability
Penyesuaian saldo awal		(19.678)	-	Beginning balance adjustment
Pajak penghasilan terkait		(17.586)	(7.804)	Related income taxes
		103.180	28.605	
Pos-pos yang akan direklasifikasi ke laba rugi:				Items that will be reclassified subsequently to profit or loss:
Keuntungan (kerugian) yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain		(400.611)	103.326	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income
Penyesuaian saldo awal		(3.730)	-	Beginning balance adjustment
Pajak penghasilan terkait		76.116	(15.902)	Related income taxes
		(328.225)	87.424	
PENGHASILAN KOMPREHENSIF LAIN NETO SETELAH PAJAK		(225.045)	116.029	OTHER COMPREHENSIVE INCOME - NET OF TAX
JUMLAH LABA KOMPREHENSIF TAHUN BERJALAN		1.317.779	1.639.099	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA PER SAHAM DASAR (DALAM NILAI PENUH)	2ab, 39	102,75	101,43	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 2022 dan 2021
(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, 2022 and 2021
(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 (kerugian) yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui pendapatan komprehensif lain - setelah pajak tangguhan/ Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income - net of deferred tax	Saldo laba/ Retained earnings		Total ekuitas/ Total equity		
						Cadangan umum/ General reserve	Belum ditentukan penggunaannya/ Unappropriated			
31 Desember 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	26e	-	-	-	-	-	755.454	(755.454)	-	Appropriation for general reserve
Pembagian dividen tunai	2ac, 26e	-	-	-	-	-	-	(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
Pembentukan cadangan umum	26e	-	-	-	-	-	740.613	(740.613)	-	Appropriation for general reserve
Pembagian dividen tunai	2ab, 26e	-	-	-	-	-	-	(782.457)	(782.457)	Distribution of cash dividends
Jumlah laba komprehensif tahun berjalan		-	-	40.281	62.899	(328.225)	-	1.542.824	1.317.779	Total comprehensive income for the year
31 Desember 2022		3.753.875	532.734	789.998	(100.912)	(115.048)	5.042.390	1.542.824	11.445.861	December 31, 2022

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 ARUS KAS
Untuk tahun yang berakhir pada tanggal-tanggal
31 Desember 2022 dan 2021**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF CASH FLOWS
For the years then ended
December 31, 2022 and 2021**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2022	2021	
Arus kas dari aktivitas operasi				Cash flows from operating activities
Penerimaan bunga, syariah, provisi dan komisi		7.030.426	6.421.514	Receipts of interest, sharia, fees and commissions
Pembayaran bunga, syariah, provisi dan komisi		(1.931.344)	(1.983.506)	Payments of interest, sharia, fees and commissions
Penerimaan dari pendapatan operasional lainnya		476.364	384.463	Receipts of other operating income
Penerimaan kembali dari kredit hapus buku		56.653	55.003	Collection of loans written-off
Penerimaan dari pendapatan non-operasional		172.136	416.380	Receipts from non-operating income
Pembayaran untuk biaya non-operasional		(82.913)	(269.509)	Payments for non-operating expenses
Pembayaran beban tenaga kerja dan tunjangan karyawan		(1.659.597)	(1.644.897)	Payments of salaries and employee benefits
Pembayaran beban umum dan administrasi		(1.296.665)	(1.211.045)	Payments of general and administrative expenses
Pembayaran pajak		(389.372)	(378.098)	Payment of taxes
Arus kas dari aktivitas operasi sebelum perubahan dalam aset dan liabilitas operasi		2.375.688	1.790.305	Cash flows 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		(7.000)	-	Placement with Bank Indonesia and other bank
Kredit yang diberikan		(4.347.656)	(1.268.793)	Loans
Surat berharga yang dijual dengan janji dibeli kembali		(4.095.066)	-	Marketable securities sold under repurchase agreement
Tagihan dari surat berharga yang dibeli dengan janji dijual kembali		(4.402.162)	9.152.359	Receivable from marketable securities purchased under resale agreement
Aset lain-lain dan tagihan lainnya		(117.044)	235.620	Other assets and other receivables
Liabilitas segera		278.638	109.040	Obligations due immediately
Simpanan dari nasabah		(1.434.484)	14.733.587	Deposits from customers
Simpanan dari bank lain		(848.777)	1.332.296	Deposits from other banks
Liabilitas surat berharga yang dijual dengan janji dibeli kembali		3.891.346	-	Liabilities of marketable securities sold under repurchase agreement
Liabilitas lain-lain		(39.476)	77.535	Other liabilities
Arus kas bersih diperoleh dari (digunakan untuk) aktivitas operasi		(8.745.993)	26.161.949	Net cash flows provided by (used in) operating activities
Arus kas dari aktivitas investasi				Cash flows from investing activities
Penjualan (pembelian) surat berharga		8.846.760	(17.722.229)	Proceed (purchase) of marketable securities
Perolehan aset tetap	15	(248.269)	(70.838)	Acquisition of fixed assets
Penjualan aset tetap	15	5.274	4.556	Fixed asset sold
Arus kas bersih diperoleh dari (digunakan untuk) aktivitas investasi		8.603.765	(17.788.511)	Net cash flows provided by (used in) investing activities
Arus kas dari aktivitas pendanaan				Cash flows from financing activities
Penerimaan (pembayaran) dari pinjaman yang diterima		(23.824)	23.933	Proceeds (payments of) from borrowings
Pembayaran dividen kas	26e	(782.458)	(733.508)	Payments of cash dividends
Pembayaran liabilitas sewa		(21.111)	-	Payments of lease liabilities
Arus kas bersih yang digunakan untuk aktivitas pendanaan		(827.393)	(709.575)	Net cash flows 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
JAWA TIMUR Tbk
LAPORAN ARUS KAS (lanjutan)
Untuk tahun yang berakhir pada tanggal-tanggal
31 Desember 2022 dan 2021**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
STATEMENT OF CASH FLOWS (continued)
For the years then ended
December 31, 2022 and 2021**

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

(Expressed in millions of Rupiah, unless otherwise stated)

	Catatan/ Notes	2022	2021	
Kenaikan (penurunan) neto kas dan setara kas		(969.621)	7.663.863	Net increase (decrease) in cash and cash equivalents
Kas dan setara kas pada awal tahun		20.957.752	13.293.890	Cash and cash equivalents at beginning of year
Kas dan setara kas pada akhir tahun		<u>19.988.131</u>	<u>20.957.753</u>	Cash and cash equivalents at end of year
Kas dan setara kas terdiri dari:				Cash and cash equivalents consist of:
Kas	3	1.988.262	2.023.077	Cash
Giro pada Bank Indonesia	4	10.786.740	8.805.300	Current accounts with Bank Indonesia
Giro pada bank lain	5	303.129	211.681	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain (jangka waktu jatuh tempo tiga bulan atau kurang sejak tanggal perolehan)	6	6.910.000	9.917.695	Placements with Bank Indonesia and other banks (maturity within three months or less since the acquisition date)
Jumlah kas dan setara kas		<u>19.988.131</u>	<u>20.957.753</u>	Total cash and cash equivalents

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

1. UMUM

a. Pendirian Bank dan informasi umum

PT Bank Pembangunan Daerah Jawa Timur Tbk ("Bank") didirikan dengan nama PT Bank Pembangunan Daerah Djawa Timur pada tanggal 17 Agustus 1961 dengan akta yang dibuat oleh Notaris Anwar Mahajudin, No.91 tanggal 17 Agustus 1961. Dengan adanya Undang-Undang No.13 tahun 1962 tentang Ketentuan Pokok Bank Pembangunan Daerah, yang mengharuskan Bank Pembangunan Daerah didirikan dengan Peraturan Pemerintah Daerah, maka Pemerintah Daerah Tingkat I Jawa Timur mengeluarkan Peraturan Daerah No.2 tahun 1976. Atas dasar peraturan daerah tersebut, nama PT Bank Pembangunan Daerah Djawa Timur diubah menjadi Bank Pembangunan Daerah Jawa Timur.

Peraturan Pemerintah Daerah tersebut disahkan oleh Menteri Dalam Negeri dalam Surat Keputusan No.Pem.10/5/26-18 tanggal 31 Januari 1977 dan diumumkan dalam Lembaran Daerah Propinsi Daerah Tingkat I Jawa Timur Tahun 1977 Seri C No.I/c tanggal 1 Februari 1977. Peraturan Daerah tersebut mengalami beberapa kali perubahan, dan yang terakhir diubah dengan Peraturan Daerah No.11 tahun 1996 tanggal 30 Desember 1996 yang disahkan oleh Menteri Dalam Negeri dengan Surat Keputusan No.584.35-280 tanggal 21 April 1997. Dengan pengesahan Peraturan Daerah No.1 tahun 1999 oleh DPRD Propinsi Jawa Timur tanggal 20 Maret 1999, dan oleh Menteri Dalam Negeri dengan Surat Keputusan No.584.35-317 tanggal 14 April 1999, maka bentuk hukum Bank Pembangunan Daerah Jawa Timur diubah dari Perusahaan Daerah menjadi Perseroan Terbatas.

Perubahan status bentuk hukum tersebut sesuai dengan akta No.1 tanggal 1 Mei 1999 yang dibuat oleh Notaris R. Sonny Hidayat Julistyo, S.H., dan telah disahkan oleh Menteri Kehakiman Republik Indonesia dengan Surat Keputusan No.C2.8227.HT.01.01.TH.99 tanggal 5 Mei 1999 serta diumumkan dalam Lembaran Berita Negara Republik Indonesia tanggal 25 Mei 1999 No.42, Tambahan Berita Negara Republik Indonesia No.3008/1999.

1. GENERAL

a. Establishment of the Bank and general information

PT Bank Pembangunan Daerah Jawa Timur Tbk (the "Bank") was established under the name of PT Bank Pembangunan Daerah Djawa Timur based on the notarial deed No.91 dated August 17, 1961 of Anwar Mahajudin. Pursuant to Law No.13 year 1962 regarding the Basic Terms for Regional Development Banks, which require that the establishment of Regional Development Banks be based on Municipal District Regulations, therefore the Municipal District I of East Java issued Municipal District Regulation No.2 year 1976. Based on such Municipal District Regulation, the name of PT Bank Pembangunan Daerah Djawa Timur was changed to Bank Pembangunan Daerah Jawa Timur.

Such Municipal District Regulation was approved by the Minister of Internal Affairs under Decision Letter No.Pem.10/5/26-18 dated January 31, 1977 and published in the Municipal Gazette District I Province of East Java Year 1977 Series C No.I/c dated February 1, 1977. This Regulation has been amended several times, with the latest amendment being Municipal District Regulation No.11 year 1996, dated December 30, 1996, which was approved by the Minister of Domestic Affairs in Decision Letter No.584.35-280 dated April 21, 1997. Pursuant to the approval of Municipal District Regulation No.1 year 1999 by the Regional Legislative Assembly of East Java dated March 20, 1999 and by the Minister of Domestic Affairs in Decision Letter No.584.35-317 dated April 14, 1999, the legal status of the Bank was changed from a Regional Corporation to a Limited Liability Company.

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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

1. UMUM (lanjutan)

a. Pendirian Bank dan informasi umum (lanjutan)

Seiring dengan perkembangan perekonomian dan dalam rangka memenuhi persyaratan sebagai Bank Pembangunan Daerah (BPD) *Regional Champion* yang salah satu parameternya adalah untuk memperkuat permodalan, maka dilakukan perubahan Anggaran Dasar Bank berdasarkan akta No.89 tanggal 25 April 2012 yang dibuat oleh Notaris Fathiah Helmi, S.H., di Jakarta yang telah memperoleh persetujuan dari Kementerian Hukum dan Hak Asasi Manusia berdasarkan Surat Keputusan No.AHU-22728.AH.01.02. Tahun 2012 tanggal 30 April 2012, telah didaftarkan dalam Daftar Perseroan sesuai dengan Undang Undang Perseroan Terbatas dengan No.AHU-0038044.AH.01.09 Tahun 2012 tanggal 30 April 2012 serta berdasarkan Surat Keputusan Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) tanggal 29 November 2012 dinyatakan efektif untuk pernyataan pendaftaran dan berubah nama menjadi PT Bank Pembangunan Daerah Jawa Timur Tbk.

Selanjutnya, Anggaran Dasar tersebut telah mengalami perubahan melalui akta No.23 tanggal 8 April 2015 yang dibuat oleh Notaris Bambang Heru Djuwito, S.H., Notaris di Surabaya, dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0927646 tanggal 27 April 2015. Perubahan selanjutnya melalui akta No.55 tanggal 22 April 2020 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, S.H., Notaris di Surabaya, dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0197642 tanggal 23 April 2020. Perubahan terakhir melalui akta No.95 tanggal 31 Mei 2021 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, S.H., Notaris di Surabaya, dan telah terdaftar di Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia No.AHU-AH.01.03-0387989 tanggal 21 Juni 2021.

Bank mulai melakukan kegiatan operasional sesuai Surat Keputusan Menteri Keuangan Republik Indonesia No.BUM 9-4-5 pada tanggal 15 Agustus 1961. Sedangkan Unit Usaha Syariah (UUS) dibentuk dan mulai beroperasi sejak tanggal 21 Agustus 2007 sesuai dengan surat Persetujuan Prinsip Pendirian UUS dari Bank Indonesia No.9/75/DS/Sb tanggal 4 April 2007.

1. GENERAL (continued)

a. Establishment of the Bank and general information (continued)

In line with the economic growth and to comply with the requirement to be Regional Champion BPD, with one of the indicators is to strengthen the capital structure, an amendment of Article of Associations was taken based on Extraordinary General Meetings of Shareholders Decision Deeds No.89 dated April 25, 2012 of Fathiah Helmi, S.H., Notary in Jakarta and granted approval from Ministry of Law and Human Rights based on decree No.AHU-22728.AH.01.02. Year 2012 dated April 30, 2012, registered on the Company list according to Limited Company Law with registration No.AHU-0038044.AH.01.09 Year 2012 dated April 30, 2012, as well as by Decision Letter of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) dated November 29, 2012 that declared effective registration statement to become a public company and changed its name to PT Bank Pembangunan Daerah Jawa Timur Tbk.

Hereinafter, the Articles of Associations has been amended No.23 dated April 8, 2015 made by Bambang Heru Djuwito, S.H., Notary in Surabaya and has been registered on the Ministry of Law and Human Rights of the Republic of Indonesia No.AHU-AH.01.03-0927646 dated April 27, 2015. The next deed No.55 dated April 22, 2020 made by Sitaesmi Puspawati Subianto, S.H., Notary in Surabaya and has been registered on the Ministry of Law and Human Rights of the Republic Indonesia No.AHU-AH.01.03-0197642 dated April 23, 2020. The latest deed No.95 dated May 31, 2021 made by Sitaesmi Puspawati Subianto, S.H., Notary in Surabaya and has been registered on the Ministry of Law and Human Rights of the Republic Indonesia No.AHU-AH.01.03-0387989 dated June 21, 2021.

The Bank started its commercial operations in accordance with the Decision Letter of the Minister of Finance of the Republic of Indonesia No.BUM 9-4-5 on August 15, 1961. The Sharia Operating Unit started its commercial operations on August 21, 2007 in accordance with the approval letter from Bank Indonesia No.9/75/DS/Sb dated April 4, 2007 for the establishment of the Bank's Sharia Operating Unit.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

1. UMUM (lanjutan)

a. Pendirian Bank dan informasi umum (lanjutan)

Entitas induk terakhir dari Bank adalah Pemerintah Propinsi Jawa Timur. Bank memperoleh ijin untuk beroperasi sebagai bank devisa berdasarkan Surat Keputusan Direksi Bank Indonesia (BI) No.23/28/KEP/DIR tanggal 2 Agustus 1990.

Sesuai dengan pasal 3 Anggaran Dasar Bank tersebut, ruang lingkup kegiatan Bank adalah menjalankan kegiatan usaha di bidang perbankan, termasuk perbankan berdasarkan prinsip Syariah serta kegiatan perbankan lainnya yang lazim sesuai dengan peraturan perundang-undangan yang berlaku.

Tugas utama Bank adalah ikut mendorong pertumbuhan potensi ekonomi daerah melalui peran sertanya dalam mengembangkan sektor-sektor usaha kredit kecil dan menengah dalam rangka memperoleh laba yang optimal. Kegiatan utamanya yaitu menghimpun dan menyalurkan dana serta memberikan jasa-jasa perbankan lainnya.

b. Penawaran umum perdana saham

Berdasarkan Surat Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) No.S-8143/BL/2012 tanggal 29 November 2012, pernyataan pendaftaran yang diajukan Bank dalam rangka Penawaran Umum Perdana saham kepada masyarakat sejumlah 2.983.537.000 saham Seri B, dengan nilai nominal sebesar Rp250 (Rupiah penuh) setiap saham dengan harga penawaran sebesar Rp430 per saham (Rupiah penuh) telah menjadi efektif pada tanggal 29 November 2012. Saham yang ditawarkan tersebut dicatatkan dan mulai diperdagangkan di Bursa Efek Indonesia pada tanggal 12 Juli 2012. Selisih lebih antara harga penawaran per saham dengan nilai nominal per saham dicatat sebagai "Tambahan modal disetor, setelah dikurangi dengan biaya emisi saham", yang disajikan pada bagian Ekuitas pada Laporan Posisi Keuangan.

Berkaitan dengan penawaran umum saham perdana, Bank akan mengimplementasikan program *Employee Stock Allocation* (ESA) dengan mengalokasikan saham sebanyak-banyaknya sebesar 10% dari jumlah penerbitan saham yang ditawarkan dan menerbitkan opsi saham untuk program *Management and Employee Stock Option Plan* (MESOP) sebanyak-banyaknya sebesar 0,71% dari jumlah modal ditempatkan dan disetor penuh setelah penawaran umum perdana saham.

1. GENERAL (continued)

a. Establishment of the Bank and general information (continued)

The ultimate parent of the Bank is the Government of East Java Province.

The Bank obtained a license to operate as foreign exchange bank based on the decision letter No.23/28/KEP/DIR of the Board of Director of Bank Indonesia (BI) dated August 2, 1990.

In accordance with article 3 of the Bank's Articles of Association, the Bank's scope of activities is to engage in general banking services, including banking activities based on Sharia principles and other banking activities in accordance with the prevailing laws and regulations.

The main role of the Bank is to participate in developing regional economic growth by providing facilities to small and medium scale businesses to achieve appropriate profit levels. Its main activities involve collecting and lending funds and rendering other banking services.

b. Initial public offering (IPO)

Based on letter No.S-8143/BL/2012 of the Capital Market and Financial Institutions Supervisory Agency (BAPEPAM-LK) dated November 29, 2012, the registration statement submitted by the Bank relating to the Initial Public Offering of 2,983,537,000 Series B shares at Rp250 (full Rupiah) per share with selling price of Rp430 (full Rupiah) per share became effective on November 29, 2012. The shares which were offered to the public, were listed and traded on the Indonesia Stock Exchange on July 12, 2012. The excess of the share offer price over the par value per share was recognized as "Other paid-in capital - net of share issuance cost", which is presented under the Equity section of the Statement of Financial Position.

In relation to the Initial Public Offering of the shares, the Bank will implement Employee Stock Allocation (ESA) program by allocating maximum of 10% of the newly issued shares and issued Management and Employee Stock Option Plan (MESOP) program with maximum of 0.71% of the issued and paid-up shares after Initial Public Offering.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

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.51 tanggal 17 Maret 2022 dan Akta Rapat Umum Pemegang Saham Luar Biasa No.23 tanggal 7 Desember 2022 dari notaris Sitaesmi Puspawati Subianto, S.H. adalah sebagai berikut:

1. GENERAL (continued)

b. Initial public offering (IPO) (continued)

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

c. Executive management

The composition of the Bank's Board of Commissioners and Directors in accordance with the General Meeting of Shareholders No.51 dated March 17, 2022 and the Extraordinary General Meeting of Shareholders No.23 dated December 7, 2022 of notary Sitaesmi Puspawati Subianto, S.H. are as follows:

2022

<u>Dewan Komisaris</u>		<u>Board of Commissioners</u>
Komisaris Utama	Suprajarto	President Commissioner
Komisaris	-	Commissioner
Komisaris	Heru Tjahjono	Commissioner
Komisaris Independen	Muhammad Mas'ud	Independent Commissioner
Komisaris Independen	Candra Fajri Ananda	Independent Commissioner
Komisaris Independen	Sumaryono	Independent Commissioner
<u>Direksi</u>		<u>Board of Directors</u>
Direktur Utama	Busrul Iman	President Director
Direktur Operasi	Tonny Prasetyo ^{*)}	Operation Director
Direktur Mikro, Ritel dan Menengah	R. Arief Wicaksono	Micro, Retail and Medium Director
Direktur Teknologi Informasi dan Digital	Zulhelfi Abidin ^{**)}	Information Technology and Digital Director
Direktur Kepatuhan	-	Compliance Director
Direktur Manajemen Risiko	Eko Susetyono	Risk Management Director
Direktur Keuangan, <i>Treasury</i> dan <i>Global Service</i>	Edi Masrianto	Finance, Treasury and Global Service Director
^{*)} ditunjuk sebagai pengganti sementara Direktur Kepatuhan, sehingga jabatan Direktur Operasi sementara dilepaskan untuk memenuhi aspek independensi.		
^{**)} ditunjuk untuk merangkap sebagai Direktur Operasi.		
Hal tersebut sesuai dengan Surat Keputusan Dewan Komisaris No.061/10/DKM/KEP tanggal 13 Desember 2022 dan telah dicatat dalam administrasi pengawasan OJK berdasarkan surat No.S-4/KR.0413/2023 tanggal 4 Januari 2023.		
^{*)} appointed as a temporary substitute Compliance Director, so that the position of Operation Director was temporarily released to fulfill the independence aspect.		
^{**)} appointed concurrently as the Operation Director.		
This is in accordance with the Decree of the Board of Commissioners No.061/10/DKM/KEP dated December 13, 2022 and has been recorded in the OJK supervision administration based on letter No.S-4/KR.0413/2023 dated January 4, 2023.		

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

c. Manajemen eksekutif (lanjutan)

Susunan Dewan Komisaris dan Direksi Bank sesuai dengan Akta Rapat Umum Pemegang Saham No.96 tanggal 31 Mei 2021 dari notaris Sitaresmi Puspawati Subianto, S.H. adalah sebagai berikut:

1. GENERAL (continued)

c. Executive management (continued)

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, S.H. are as follows:

2021

Dewan Komisaris

Komisaris Utama	-
Komisaris	-
Komisaris	Heru Tjahjono
Komisaris Independen	-
Komisaris Independen	Candra Fajri Ananda
Komisaris Independen	Muhammad Mas'ud

Direksi

Direktur Utama	Busrul Iman
Direktur Komersial dan Korporasi	-
Direktur Konsumer, Ritel dan Usaha Syariah	-
Direktur Teknologi Informasi dan Operasi	Tonny Prasetyo
Direktur Kepatuhan dan Manajemen Risiko	Erdianto Sigit Cahyono
Direktur Risiko Bisnis	Rizyana Mirda
Direktur Keuangan	Ferdian Timur Satyagraha

Board of Commissioners

President Commissioner
Commissioner
Commissioner
Independent Commissioner
Independent Commissioner
Independent Commissioner

Board of Directors

President Director
Commercial and Corporation Director
Consumer Retail and
Sharia Business Director
Information Technology
and Operation Director
Compliance and Risk
Management Director
Business Risk Director
Finance Director

Susunan Komite Audit adalah sebagai berikut:

The composition of the Audit Committee are as follows:

	2022
Ketua	Sumaryono
Anggota	Muhammad Mas'ud
Anggota	Candra Fajri Ananda
Anggota	Kusnadi

	2021	
Candra Fajri Ananda		Chairman
Muhammad Mas'ud		Member
Akhmad Djauhari		Member
Ellen Theresia Sihotang		Member

Susunan Komite Pemantau Risiko adalah sebagai berikut:

The composition of the Risk Monitoring Committee are as follows:

	2022
Ketua	Candra Fajri Ananda
Anggota	Muhammad Mas'ud
Anggota	Sumaryono
Anggota	Sulam Andjar Rochim
Anggota	Moch. Arifin

	2021	
Candra Fajri Ananda		Chairman
Muhammad Mas'ud		Member
Syafrudin		Member
Sulam Andjar Rochim		Member
-		Member

Susunan Komite Remunerasi dan Nominasi adalah sebagai berikut:

The composition of the Remuneration and Nomination Committee are as follows:

	2022
Ketua	Muhammad Mas'ud
Anggota	Suprajarto
Anggota	Candra Fajri Ananda
Anggota	Sumaryono
Anggota	Heru Tjahjono
Anggota	Revi Adiana S.

	2021	
Muhammad Mas'ud		Chairman
Candra Fajri Ananda		Member
Heru Tjahjono		Member
Revi Adiana S.		Member
-		Member
-		Member

Susunan Komite Audit, Komite Pemantau Risiko, dan Komite Remunerasi dan Nominasi sesuai dengan Surat Keputusan No.061/200/DIR/HCP/KEP tanggal 3 Oktober 2022 tentang Perubahan Susunan Komite PT Bank Pembangunan Daerah Jawa Timur Tbk.

The composition of the Audit Committee, the Risk Monitoring Committee, and the Remuneration and Nomination Committee accordance to Decision Letter No.061/200/DIR/HCP/KEP dated October 3, 2022 regarding Changes in the Composition of the PT Bank Pembangunan Daerah Jawa Timur Tbk.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. UMUM (lanjutan)

c. Manajemen eksekutif (lanjutan)

Susunan Internal Audit pada tanggal 31 Desember 2022 dan 2021 adalah sebagai berikut:

	2022
Pemimpin Divisi	Ratna Hastutik
Pemimpin Sub Divisi	M. Muad
Pemimpin Sub Divisi	R. Sonny Soelaksono
Pemimpin Sub Divisi	-

Sekretaris Perusahaan pada tanggal 31 Desember 2022 dan 2021 adalah sebagai berikut:

	2022
Pemimpin Divisi	Budi Sumarsono
Pemimpin Sub Divisi	Bambang Supriadi
Pemimpin Sub Divisi	Derry Widyia Ariyata
Pemimpin Sub Divisi	Lestari Nur Imani

Susunan Dewan Pengawas Syariah Bank pada tanggal 31 Desember 2022 dan 2021 adalah sebagai berikut:

	2022
Ketua	Afifuddin Muhajir
Anggota	Sa'ad Ibrahim

Pada tanggal 31 Desember 2022 dan 2021, Bank memiliki karyawan tetap masing-masing sebanyak 4.385 dan 4.007 orang (tidak diaudit).

d. Jaringan kantor

Pada tanggal 31 Desember 2022, Bank memiliki 41 kantor cabang konvensional termasuk 1 Unit Usaha Syariah (UUS) yang mempunyai 7 cabang Syariah serta 162 kantor cabang pembantu konvensional, 10 kantor cabang pembantu Syariah, 212 kantor fungsional konvensional, 3 kantor fungsional Syariah, 195 kantor layanan Syariah, 815 ATM (Automated Teller Machine), 26 ATM Syariah (Sharia Automated Teller Machine), 58 CRM (Cash Recycling Machine) konvensional, 7 CRM (Cash Recycling Machine) Syariah di Indonesia.

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.

1. GENERAL (continued)

c. Executive management (continued)

The composition of the Internal Audit as of December 31, 2022 and 2021 are as follows:

	2021	
Pemimpin Divisi	Ratna Hastutik	Division Head
Pemimpin Sub Divisi	Purwoko Dekrit Yulianto	Sub Division Head
Pemimpin Sub Divisi	M. Muad	Sub Division Head
Pemimpin Sub Divisi	R. Sonny Soelaksono	Sub Division Head

The Corporate Secretary as of December 31, 2022 and 2021 are as follows:

	2021	
Pemimpin Divisi	Umi Rodyah	Division Head
Pemimpin Sub Divisi	Lestari Nur Imani	Sub Division Head
Pemimpin Sub Divisi	Muhammad Fahmi	Sub Division Head
Pemimpin Sub Divisi	-	Sub Division Head

The composition of the Sharia Supervisory Board as of December 31, 2022 and 2021 are as follows:

	2021	
Ketua	Afifuddin Muhajir	Division Head
Anggota	Sa'ad Ibrahim	Sub Division Head

As of December 31, 2022 and 2021, the Bank has 4,385 and 4,007 permanent employees, respectively (unaudited).

d. Office network

As of December 31, 2022, the Bank has 41 branches including 1 Sharia Operating Unit (UUS) which has 7 Sharia branches and 162 conventional sub-branches, 10 Sharia sub-branches, 212 conventional functional offices, 3 Sharia functional office, 195 Sharia service offices, 815 ATMs (Automated Teller Machines), 26 ATMs Sharia (Sharia Automated Teller Machines), 58 CRM (Cash Recycling Machines) conventional, 7 CRM (Cash Recycling Machines) Sharia located in Indonesia.

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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

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 2022 dan 2021, disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan (SAK) di Indonesia, yang meliputi Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan-Ikatan Akuntan Indonesia (DSAK-IAI) dan Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan (Bapepam-LK) No. VIII.G.7 yang terlampir dalam Keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tanggal 25 Juni 2012 tentang "Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik".

Informasi keuangan UUS Bank disajikan sesuai dengan PSAK 101, "Penyajian Laporan Keuangan Syariah", PSAK 102, "Akuntansi Murabahah", PSAK 103, "Akuntansi Salam", PSAK 104, "Akuntansi Istishna", PSAK 105, "Akuntansi Mudharabah", PSAK 106, "Akuntansi Musyarakah", dan PSAK 107, "Akuntansi Ijarah" yang menggantikan PSAK 59 tentang "Akuntansi Perbankan Syariah" yang berkaitan dengan pengakuan, pengukuran, penyajian dan pengungkapan untuk topik tersebut, PSAK 110 "Akuntansi Sukuk", PSAK 111 "Akuntansi Wa'd" dan PSAK lain selama tidak bertentangan dengan prinsip syariah dan Pedoman Akuntansi Perbankan Syariah Indonesia (PAPSI) yang diterbitkan oleh Bank Indonesia dan IAI.

Laporan keuangan telah disajikan berdasarkan nilai historis, kecuali disebutkan lain dan disusun dengan dasar akrual (kecuali bagi hasil dari pembiayaan mudharabah dan musyarakah).

1. GENERAL (continued)

d. Office network (continued)

The Bank classifies its branch offices into main branches, special branches, first-class branches, second-class branches and third-class branches. Each branch has sub-branches and/or cash offices and/or payment points.

2. 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, 2022 and 2021 have been prepared and presented in accordance with Financial Accounting Standards (SAK) and Statements of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standard Board of the Institute of Indonesia Chartered Accountants and the Regulation of Capital Market and Financial Institution Supervisor Board (Bapepam-LK) No. VIII.G.7 in the Decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding "Presentation and Disclosure of Financial Statements of the Issuer or Public Company".

The financial information of UUS have been prepared in conformity with PSAK 101, "Sharia Financial Statements Presentation", PSAK 102, "Accounting for Murabahah", PSAK 103, "Accounting for Salam", PSAK 104, "Accounting for Istishna", PSAK 105, "Accounting for Mudharabah", PSAK 106, "Accounting for Musyarakah" and PSAK 107, "Accounting for Ijarah" which replaces PSAK 59, "Accounting for Sharia Banking", associated with recognition, measurement, presentation and disclosure for the respective topics, PSAK 110 "Accounting for Sukuk", PSAK 111 "Accounting for Wa'd" and other PSAK, as long as not contradict with sharia principles and Accounting Guidelines for Indonesian Sharia Banks (PAPSI) issued by Bank Indonesia and IAI.

The financial statements have been prepared on a historical cost basis, unless otherwise stated, and under the accrual basis of accounting (except for profit sharing for mudharabah and musyarakah financing).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 2022 dan 2021 yang menggunakan kurs tengah berdasarkan *Reuters* (pukul 16.00 Waktu Indonesia Barat) (dalam Rupiah penuh).

	2022	2021
1 Poundsterling Inggris Raya	18.786	19.251
1 Euro	16.582	16.112
1 Dolar Amerika Serikat	15.568	14.253
1 Dolar Singapura	11.593	10.555
1 Dolar Australia	10.558	10.347
1 Riyal Saudi Arabia	4.139	3.796
1 Ringgit Malaysia	3.534	3.418
1 Yuan China Renminbi	2.239	2.236
1 Dolar Hong Kong	1.997	1.828
100 Yen Jepang	11.800	12.400

c. Perubahan pada pernyataan standar akuntansi keuangan dan interpretasi atas Pernyataan Standar Akuntansi Keuangan

Pada tanggal 1 Januari 2022, terdapat standar baru dan penyesuaian atau amendemen terhadap beberapa standar yang masih berlaku dan berlaku efektif sejak tanggal tersebut yaitu sebagai berikut:

- Amendemen PSAK 22, "Kombinasi Bisnis tentang Referensi ke Kerangka Konseptual". Amendemen ini mengklarifikasi interaksi antara PSAK 22, PSAK 57, ISAK 30 dan Kerangka Konseptual Pelaporan Keuangan;
- Amendemen PSAK 57, "Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi tentang Kontrak Memberatkan - Biaya Memenuhi Kontrak". Amendemen ini mengklarifikasi biaya untuk memenuhi suatu kontrak dalam kaitannya dalam menentukan apakah suatu kontrak merupakan kontrak memberatkan;
- Penyesuaian Tahunan 2020 - PSAK 71, "Instrumen Keuangan - Imbalan dalam pengujian "10 persen" untuk penghentian pengakuan liabilitas keuangan". Amendemen tersebut mengklarifikasi biaya yang termasuk dalam entitas ketika menilai apakah persyaratan liabilitas keuangan baru atau yang dimodifikasi secara substansial berbeda dari persyaratan liabilitas keuangan asli;

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, 2022 and 2021 using the middle rates based on *Reuters* (at 16.00 hours Western Indonesian Time) (in full amount).

	2022	2021	
	18.786	19.251	Great Britain Poundsterling 1/Rp
	16.582	16.112	Euro 1/Rp
	15.568	14.253	United States Dollar 1/Rp
	11.593	10.555	Singapore Dollar 1/Rp
	10.558	10.347	Australian Dollar 1/Rp
	4.139	3.796	Saudi Arabian Riyal 1/Rp
	3.534	3.418	Malaysian Ringgit 1/Rp
	2.239	2.236	Chinese Yuan Renminbi 1/Rp
	1.997	1.828	Hong Kong Dollar 1/Rp
	11.800	12.400	Japanese Yen 100/Rp

c. Changes to the statements of financial accounting standard and interpretations of the Statements of Financial Accounting Standard

On 1 January, 2022 there were new standards and adjustments or amendments for several prevailing standards and effective since that date, as follows:

- Amendment of PSAK 22, "Business Combinations to a Reference Conceptual Framework" This amendment clarifies the interaction between PSAK 22, PSAK 57, ISAK 30 and Financial Reporting Conceptual Framework;
- Amendment of PSAK 57, "Provisions, Contingent Liabilities and Contingent Assets regarding to Onerous Contracts-Cost of Fulfilling the Contracts". This amendment clarifies the cost to fulfill a contract in order to determine whether a contract is onerous contract;
- Annual Adjustment 2020 – PSAK 71, "Financial Instrument – Fee under test "10 percent" for for derecognition of a financial liability". The amendments clarify the costs included in the entity when assessing whether the terms of the new or modified financial liabilities are substantially different from the terms of the original financial liabilities.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

c. Perubahan pada pernyataan standar akuntansi keuangan dan interpretasi atas Pernyataan Standar Akuntansi Keuangan

- Penyesuaian Tahunan 2020 - PSAK 73, "Sewa". Penyesuaian ini mengklarifikasi pengukuran oleh penyewa dan pencatatan perubahan masa sewa terkait "perbaikan properti sewaan".

Implementasi dari standar-standar tersebut tidak menghasilkan perubahan substansial terhadap kebijakan akuntansi Bank dan tidak memiliki dampak yang material terhadap laporan keuangan di periode berjalan atau tahun sebelumnya.

d. Aset dan liabilitas keuangan

Aset keuangan Bank terutama terdiri dari kas, giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat berharga, surat berharga yang dijual dengan janji dibeli kembali, surat berharga yang dibeli dengan janji dijual kembali, tagihan lainnya, kredit yang diberikan dan pembiayaan syariah dan pendapatan bunga yang masih akan diterima.

Sesuai PSAK 71, terdapat 3 (tiga) klasifikasi pengukuran aset keuangan yaitu biaya perolehan diamortisasi, diukur pada nilai wajar melalui laba rugi (FVTPL) dan diukur pada nilai wajar melalui pendapatan komprehensif lainnya (FVOCI).

Aset keuangan diklasifikasikan menjadi kategori tersebut di atas berdasarkan model bisnis dimana aset keuangan tersebut dimiliki dan karakteristik arus kas kontraktualnya. Model bisnis merefleksikan bagaimana kelompok aset keuangan dikelola untuk mencapai tujuan bisnis tertentu.

Liabilitas keuangan Bank terutama terdiri dari simpanan dari nasabah, simpanan dari bank lain, liabilitas surat berharga yang dijual dengan janji dibeli kembali dan pinjaman yang diterima.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Changes to the statements of financial accounting standard and interpretations of the Statements of Financial Accounting Standard

- Annual Adjustment 2020 – PSAK 73 "Lease". This amendment clarifies the measurement by the lease and the recording of changes in the lease term regarding "rental properties repair".

The implementation of the above standards did not result in substantial changes to the Bank's accounting policies and had no material impact to the consolidated financial statements for current or prior financial periods.

d. Financial assets and liabilities

The Bank's financial assets mainly consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, marketable securities, marketable securities sold under repurchased agreement, marketable securities purchased under resale agreement (reverse repo), other receivables, loans and sharia financing and interest receivables.

In accordance with PSAK 71, there are 3 (three) measurement classifications for financial assets: amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI).

Financial assets are classified into these categories based on the business model within which they are held and their contractual cash flow characteristics. The business model reflects how group of financial assets are managed to achieve particular business objective.

The Bank's financial liabilities mainly consist of deposits from customers, deposits from other banks, liabilities of marketable securities sold under repurchase agreements and borrowings.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

d. Aset dan liabilitas keuangan (lanjutan)

1) Klasifikasi

Aset keuangan dapat diukur dengan biaya perolehan diamortisasi hanya jika memenuhi kedua kondisi berikut dan tidak ditetapkan sebagai FVTPL:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk memiliki aset keuangan dalam rangka mendapatkan arus kas kontraktual; dan
- Persyaratan kontraktual dari aset keuangan tersebut memberikan hak pada tanggal tertentu atas arus kas yang diperoleh semata dari pembayaran pokok dan bunga (SPPI) dari jumlah pokok terutang.

Aset keuangan diklasifikasikan sebagai FVOCI jika memenuhi kondisi berikut:

- Aset keuangan dikelola dalam model bisnis yang bertujuan untuk mendapatkan arus kas kontraktual dan menjual aset keuangan; dan
- Persyaratan kontraktual dari aset keuangan tersebut memenuhi kriteria SPPI.

Aset keuangan lainnya yang tidak memenuhi persyaratan untuk diklasifikasikan sebagai aset keuangan yang diukur pada biaya perolehan diamortisasi atau FVOCI, diklasifikasikan sebagai FVTPL.

Aset keuangan tidak boleh direklasifikasi setelah pengakuan awal.

Liabilitas keuangan diklasifikasikan ke dalam kategori sebagai berikut pada saat pengakuan awal:

- Diukur pada nilai wajar melalui laba rugi, yang memiliki 2 (dua) sub-klasifikasi, yaitu liabilitas keuangan yang ditetapkan demikian pada saat pengakuan awal dan liabilitas keuangan dipersyaratkan diukur pada nilai wajar melalui laba rugi; dan
- Liabilitas keuangan lainnya merupakan liabilitas keuangan yang tidak dimiliki untuk dijual atau ditentukan sebagai nilai wajar melalui laba rugi saat pengakuan liabilitas.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial assets and liabilities (continued)

1) Classification

A financial asset is measured at amortized cost only if it meets both of the following conditions and is not designated as FVTPL:

- The financial assets are managed in a business model which objective is to hold the asset to obtain contractual cash flows; and
- Its contractual terms of the financial assets provide rights on a specified date for cash flows obtained solely from payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are classified as FVOCI if they meet the following condition:

- The financial assets are managed in a business model which objective is to obtain contractual cash flows and sell the financial asset; and
- The contractual requirements of the financial assets meet the SPPI criteria.

Financial assets that do not meet the requirements to be classified as financial assets measured at amortized cost or FVOCI, are classified as FVTPL.

Financial assets are not permitted to be reclassified subsequently to their initial recognition.

Financial liabilities are classified into the following categories on initial recognition:

- Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. financial liabilities designated as such upon initial recognition and financial liabilities mandatorily classified as fair value through profit or loss; and
- Other financial liabilities pertain to financial liabilities that are not held for trading nor designated as at fair value through profit or loss upon recognition of the liability.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

d. Aset dan liabilitas keuangan (lanjutan)

2) Pengakuan dan pengukuran awal

Semua aset atau liabilitas keuangan pada saat pengakuan awal diukur sebesar nilai wajarnya ditambah biaya transaksi, kecuali untuk aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi, dimana biaya transaksi diakui langsung dalam laba rugi.

Pembelian dan penjualan aset keuangan yang lazim (*regular*), diakui pada tanggal perdagangan dimana Bank memiliki komitmen untuk membeli atau menjual aset tersebut.

Semua aset dan liabilitas keuangan lainnya pada awalnya diakui pada tanggal perdagangan dimana Bank menjadi suatu pihak dalam ketentuan kontraktual instrumen tersebut.

Biaya transaksi hanya meliputi biaya-biaya yang dapat diatribusikan secara langsung untuk perolehan suatu aset keuangan atau penerbitan suatu liabilitas keuangan dan merupakan biaya tambahan yang tidak akan terjadi apabila instrumen keuangan tersebut tidak diperoleh atau diterbitkan. Untuk aset keuangan, biaya transaksi ditambahkan pada jumlah yang diakui pada awal pengakuan aset, sedangkan untuk liabilitas keuangan, biaya transaksi dikurangkan dari jumlah liabilitas yang diakui pada awal pengakuan liabilitas.

Biaya transaksi tersebut diamortisasi selama umur instrumen berdasarkan metode suku bunga efektif dan dicatat sebagai bagian dari pendapatan bunga untuk biaya transaksi sehubungan dengan aset keuangan atau sebagai bagian dari beban bunga untuk biaya transaksi sehubungan dengan liabilitas keuangan. Setelah pengakuan awal, Bank mengukur aset keuangan, sesuai dengan klasifikasi aset keuangan pada; (i) Biaya perolehan diamortisasi; (ii) Nilai wajar melalui penghasilan komprehensif lain; atau (iii) Nilai wajar melalui laba rugi.

Aset keuangan pada biaya perolehan diamortisasi diukur dengan menjumlahkan aset keuangan yang diukur saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif menggunakan metode bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya dan disesuaikan dengan penyisihan kerugiannya.

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

d. Aset dan liabilitas keuangan (lanjutan)

2) Pengakuan dan pengukuran awal (lanjutan)

Keuntungan atau kerugian akibat fluktuasi nilai wajar tidak diakui aset keuangan pada biaya perolehan diamortisasi.

Pendapatan bunga dihitung menggunakan metode bunga efektif yaitu dengan menerapkan suku bunga efektif atas jumlah tercatat bruto aset keuangan, kecuali untuk:

- a) aset keuangan yang dibeli atau yang berasal dari aset keuangan memburuk. Untuk aset keuangan tersebut, Bank menerapkan suku bunga efektif yang disesuaikan dengan kredit atas biaya perolehan diamortisasi aset keuangan sejak pengakuan awal.
- b) aset keuangan yang tidak dibeli atau yang berasal dari aset keuangan memburuk tetapi selanjutnya menjadi aset keuangan memburuk. Untuk aset keuangan tersebut, Bank menerapkan suku bunga efektif atas biaya perolehan diamortisasi aset keuangan di periode pelaporan selanjutnya.

Setelah pengakuan awal, Bank mengukur liabilitas keuangan, sesuai dengan klasifikasi aset keuangan pada: (i) Biaya perolehan diamortisasi; atau (ii) Nilai wajar melalui laba rugi.

Untuk liabilitas keuangan yang diukur pada laba rugi, keuntungan dan kerugian diakui pada laba rugi. Terdapat pengecualian pada kasus liabilitas keuangan ditetapkan sebagai FVTPL dimana perubahan risiko kredit liabilitas diakui pada penghasilan komprehensif lain dengan keuntungan dan kerugian lainnya diakui pada laba rugi.

Setelah pengakuan awal, liabilitas keuangan yang diukur pada FVTPL diukur pada nilai wajarnya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar diakui dalam laba rugi.

3) Penghentian pengakuan

Bank menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluwarsa atau pada saat Bank mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi dimana Bank secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial assets and liabilities (continued)

**2) Recognition and initial measurement
(continued)**

Gains or losses due to fluctuations in fair value are not recognized financial assets at amortized cost.

Interest income is calculated using the effective interest method by applying an effective interest rate to the gross carrying amount of financial assets, except for:

- a) financial assets purchased or originating from financial assets deteriorate. For these financial assets, the Bank applies an effective interest rate adjusted by credit for the amortized cost of the financial assets from initial recognition.
- b) financial assets that are not purchased or that originate from financial assets deteriorate but subsequently become financial assets deteriorate. For these financial assets, the Bank applies an effective interest rate on the amortized cost of the financial assets in the next reporting period.

After initial recognition, the Bank measures financial liabilities, according to the classification of financial assets at: (i) Amortized cost; or (ii) Fair value through profit or loss.

For financial liabilities measured at profit or loss, gains and losses are recognized in profit or loss. There are exceptions in the case of financial liabilities designated as FVTPL where changes in credit liability risks are recognized in other comprehensive income with other gains and losses recognized in profit or loss.

After initial recognition, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

3) Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or when the Bank transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

d. Aset dan liabilitas keuangan (lanjutan)

3) Penghentian pengakuan (lanjutan)

Setiap hak atau kewajiban yang timbul atau yang masih dimiliki oleh Bank diakui sebagai aset atau liabilitas secara terpisah.

Bank menghentikan pengakuan liabilitas keuangan pada saat kewajiban yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluarsa.

Dalam transaksi dimana Bank secara substansial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Bank menghentikan pengakuan aset tersebut jika Bank tidak lagi memiliki pengendalian atas aset tersebut. Hak dan kewajiban yang masih dimiliki dalam transfer tersebut diakui secara terpisah sebagai aset atau liabilitas. Dalam transfer dimana pengendalian atas aset masih dimiliki, Bank tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan berkelanjutan Bank yang ditentukan dengan seberapa jauh Bank terekspos terhadap perubahan nilai aset yang ditransfer.

Bank menghapusbukkan aset keuangan dan cadangan kerugian penurunan nilai terkait pada saat Bank menentukan bahwa aset keuangan tersebut tidak dapat ditagih. Keputusan ini diambil setelah Bank melakukan berbagai upaya untuk memperoleh kembali aset keuangan tersebut serta mempertimbangkan informasi seperti telah terjadinya perubahan signifikan pada posisi keuangan debitur/penerbit aset keuangan sehingga debitur/penerbit aset keuangan tidak lagi dapat melunasi kewajibannya atau hasil penjualan agunan tidak akan cukup untuk melunasi seluruh eksposur yang diberikan.

4) Saling hapus

Aset keuangan dan liabilitas keuangan dapat saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika, dan hanya jika, Bank memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial assets and liabilities (continued)

3) Derecognition (continued)

Any interest in transferred financial assets that is created or retained by the Bank is recognized as a separate asset or liability.

The Bank derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

In transaction in which the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the Bank derecognizes the asset if it does not retain control over the asset. The rights and obligations retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers in which control over the asset is retained, the Bank continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Bank writes off financial assets and any related allowance for impairment losses when the Bank determines that those financial assets are uncollectible. The decision is reached after Bank had undertaken various efforts to obtain back the financial asset as well as considering information such as the occurrence of significant changes in the financial position of borrower/financial asset issuer such that the borrower/financial asset issuer can no longer pay the obligation or that proceeds from collateral will not be sufficient to pay back the entire exposure.

4) Offsetting

Financial assets and financial liabilities are set off and the net amount is presented in the statement of financial position when, and only when, the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

d. Aset dan liabilitas keuangan (lanjutan)

5) Pengukuran biaya perolehan diamortisasi

Biaya perolehan diamortisasi dari aset atau liabilitas keuangan adalah jumlah aset atau liabilitas keuangan yang diukur pada saat pengakuan awal, dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dan untuk aset keuangan disesuaikan dengan cadangan kerugian kredit ekspektasian. Nilai tercatat bruto aset keuangan merupakan biaya perolehan diamortisasi aset keuangan sebelum disesuaikan dengan cadangan kerugian kredit ekspektasian.

Tingkat suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi arus kas di masa datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau jika lebih tepat, digunakan periode yang lebih singkat), atas nilai tercatat bruto aset keuangan (ketika aset tidak mengalami penurunan nilai) atau pada biaya perolehan diamortisasi untuk liabilitas keuangan. Pada saat menghitung tingkat suku bunga efektif, Bank mengestimasi arus kas di masa datang dengan mempertimbangkan seluruh ketentuan kontraktual dalam instrumen keuangan tersebut (antara lain opsi pelunasan dipercepat), namun tidak mempertimbangkan kerugian kredit di masa mendatang. Untuk aset keuangan yang dibeli atau yang berasal dari aset keuangan memburuk, suku bunga efektif yang disesuaikan dengan risiko kredit dihitung dengan menggunakan arus kas di masa datang termasuk ECL.

Perhitungan suku bunga efektif mencakup biaya transaksi dan seluruh provisi yang dibayarkan atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif.

6) Pengukuran nilai wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur (*orderly transaction*) antara pelaku pasar (*market participants*) pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Bank memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

d. Financial assets and liabilities (continued)

5) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount and adjusted for any expected credit loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit loss allowance.

The effective interest rate is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period), to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or to the amortized cost of the financial liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument (for example prepayment options), but does not consider any future credit losses. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and all fees paid or received that are an integral part of the effective interest rate.

6) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

d. Aset dan liabilitas keuangan (lanjutan)

6) Pengukuran nilai wajar (lanjutan)

Jika tersedia, Bank mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasian di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika transaksi atas aset dan liabilitas terjadi dengan frekuensi dan volume yang memadai untuk menyediakan informasi penentuan harga secara berkelanjutan.

Jika harga kuotasian tidak tersedia di pasar aktif, Bank menggunakan teknik penilaian dengan memaksimalkan penggunaan input yang dapat diobservasi dan relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi. Teknik penilaian yang dipilih menggabungkan semua faktor yang diperhitungkan oleh pelaku pasar dalam penentuan harga transaksi.

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Bank menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasian di pasar aktif untuk aset atau liabilitas yang identik atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menanggulangi perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi. Setelah pengakuan awal, perbedaan tersebut diakui dalam laba rugi berdasarkan umur dari instrumen tersebut namun tidak lebih lambat dari saat penilaian tersebut didukung sepenuhnya oleh data pasar yang dapat diobservasi atau saat transaksi ditutup.

Jika aset atau liabilitas yang diukur pada nilai wajar memiliki harga penawaran dan harga permintaan, maka Bank mengukur aset dan jangka panjang berdasarkan harga penawaran dan mengukur liabilitas dan jangka pendek berdasarkan harga permintaan.

Portofolio aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar, yang terekspos risiko pasar dan risiko kredit yang dikelola oleh Bank berdasarkan eksposur netonya baik terhadap risiko pasar ataupun risiko kredit diukur berdasarkan harga yang akan diterima untuk menjual posisi *net long* (atau dibayar untuk mengalihkan posisi *net short*) untuk eksposur risiko tertentu.

**2. 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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

d. Aset dan liabilitas keuangan (lanjutan)

6) Pengukuran nilai wajar (lanjutan)

Penyesuaian pada level portofolio tersebut dialokasikan pada aset dan liabilitas individual berdasarkan penyesuaian risiko relatif dari masing-masing instrumen individual di dalam portofolio.

e. Transaksi dengan pihak-pihak berelasi

Dalam menjalankan usahanya, Bank melakukan transaksi dengan pihak-pihak berelasi seperti yang didefinisikan dalam PSAK 7 (Revisi 2015) tentang "Pengungkapan Pihak-pihak Berelasi".

Yang dimaksud dengan pihak yang berelasi adalah orang atau entitas yang berelasi dengan entitas pelapor sebagai berikut:

- i. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:
 - a) memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - b) memiliki pengaruh signifikan atas entitas pelapor; atau
 - c) personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.
- ii. Satu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
 - a) Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lainnya);
 - b) Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang tersebut adalah anggotanya);
 - c) Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
 - d) Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
 - e) Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor;
 - f) Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (i);

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Financial assets and liabilities (continued)

6) Fair value measurement (continued)

Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

e. Transactions with related parties

In the normal course of its business, the Bank enters into transactions with related parties which are defined under PSAK 7 (Revised 2015), "Related Party Disclosures".

The meaning of a related party is a person or entity that is related to a reporting entity as follow:

- i. A person or a close member of that person's family is related to a reporting entity if that person:
 - a) has control or joint control over the reporting entity;
 - b) has significant influence over the reporting entity; or
 - c) a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- ii. An entity is related to the reporting entity if any of the following conditions applies:
 - a) The entity and the reporting entity are members of the same Bank and its subsidiaries (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Bank and its subsidiaries of which the other entity is a member);
 - c) Both entities are joint ventures of the same third party;
 - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity;
 - f) The entity is controlled or jointly controlled by a person identified in (a);

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

**e. Transaksi dengan pihak-pihak berelasi
(lanjutan)**

- 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.

Transaksi dengan pihak-pihak berelasi dilakukan dengan syarat dan kondisi yang sama dengan transaksi-transaksi dengan pihak ketiga. Transaksi yang dilakukan Bank telah memenuhi Peraturan Otoritas Jasa Keuangan (POJK) No.42/POJK.04/2020 tentang "Transaksi Afiliasi dan Transaksi Benturan Kepentingan".

Seluruh transaksi dan saldo yang material dengan pihak berelasi diungkapkan dalam catatan atas laporan keuangan yang relevan dan rinciannya disajikan dalam (Catatan 40).

f. Kas dan setara kas

Kas dan setara kas dalam laporan arus kas terdiri dari kas, giro pada Bank Indonesia dan bank lain, penempatan pada Bank Indonesia dan bank lain dan Sertifikat Bank Indonesia, yang jatuh tempo dalam waktu 3 (tiga) bulan sejak tanggal perolehan, sepanjang tidak digunakan sebagai jaminan atas pinjaman yang diterima serta tidak dibatasi penggunaannya.

g. Giro pada Bank Indonesia dan bank lain

Giro pada Bank Indonesia dan bank lain dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi penyisihan kerugian penurunan nilai. Giro pada Bank Indonesia dan bank lain diklasifikasikan sebagai biaya perolehan diamortisasi.

h. Penempatan pada Bank Indonesia dan bank lain

Penempatan pada Bank Indonesia dan bank lain terdiri dari Fasilitas Simpanan Bank Indonesia (FASBI), *call money* dan deposito berjangka.

Penempatan pada Bank Indonesia dan bank lain dinyatakan sebesar biaya perolehan diamortisasi menggunakan metode suku bunga efektif dikurangi penyisihan kerugian penurunan nilai. Penempatan pada Bank Indonesia dan bank lain diklasifikasikan sebagai biaya perolehan diamortisasi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

e. Transactions with related parties (continued)

- g) A person identified in (a). (1) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity); or
- h) The entity or any members of a Bank and its subsidiaries of which it is a part, provides key management personnel service to the reporting entity or to the parent of the reporting entity.

Transactions with related parties are made on the same term and conditions as those transactions with third parties. All transaction done by Bank have complied with Financial Services Authority Regulation (POJK) No.42/POJK.04/2020 about "Affiliated Transactions and Conflict of Interest Transactions".

All material transactions and balances with related parties are disclosed in the relevant notes to the financial statements and the detail is presented in (Note 40).

f. Cash and cash equivalents

Cash and cash equivalents presented in the statements of cash flows consist of cash, current accounts with Bank Indonesia and other banks, placements with Bank Indonesia and other banks and Bank Indonesia Certificates Facility maturing within 3 (three) months from the acquisition date, and not used as collateral for borrowing and not restricted in use.

g. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less an allowance for impairment losses. Current accounts with Bank Indonesia and other banks are classified as amortized cost.

h. Placements with Bank Indonesia and other banks

Placement with Bank Indonesia and other banks consists of Bank Indonesia Deposit Facility (FASBI), *call money* and time deposits.

Placements with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less an allowance for impairment losses. Placements with Bank Indonesia and other banks are classified as amortized cost.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

i. Surat berharga

Surat berharga yang dimiliki terdiri dari Sertifikat Bank Indonesia (SBI), Sertifikat Deposito Bank Indonesia (SDBI), obligasi korporasi, reksadana, Surat Keterangan Berdokumen Dalam Negeri (SKBDN), tagihan wesel ekspor, sukuk, surat utang negara, surat berharga pasar uang dan pasar modal lainnya.

Surat utang negara terdiri dari surat utang yang diterbitkan oleh Pemerintah Indonesia yang diperoleh melalui pasar perdana dan sekunder.

Surat-surat berharga pada awalnya disajikan sebesar nilai wajarnya. Setelah pengakuan awal, surat-surat berharga dicatat sesuai dengan kategorinya yaitu yang diukur pada nilai wajar melalui penghasilan komprehensif lain, investasi pada biaya perolehan diamortisasi atau berdasarkan nilai wajar melalui laba atau rugi.

Penilaian surat berharga didasarkan atas klasifikasinya sebagai berikut:

- 1) Surat berharga yang dicatat pada biaya perolehan yang diamortisasi menggunakan metode suku bunga efektif.
- 2) Surat berharga yang dimiliki untuk diperdagangkan dan yang ditetapkan pada nilai wajar melalui laba rugi pada saat pengakuan awal dinyatakan pada nilai wajar. Keuntungan dan kerugian yang timbul dari perubahan nilai wajar diakui dalam laporan laba rugi dan penghasilan komprehensif lain.
- 3) Surat berharga yang diklasifikasikan pada nilai wajar melalui penghasilan komprehensif lain dinyatakan pada nilai wajar. Pendapatan bunga diakui dalam laporan laba rugi dan penghasilan komprehensif lain menggunakan metode suku bunga efektif. Laba atau rugi selisih kurs atas surat berharga yang tersedia untuk dijual diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Perubahan nilai wajar lainnya diakui secara langsung dalam ekuitas sampai dengan surat-surat berharga tersebut dijual atau mengalami penurunan nilai, dimana keuntungan dan kerugian kumulatif yang sebelumnya diakui dalam ekuitas harus diakui pada laporan laba rugi dan penghasilan komprehensif lain.

Aset Keuangan Sukuk

Bank menerapkan PSAK No.110 "Investasi Sukuk" yang mengatur mengenai pengakuan, pengukuran, penyajian, dan pengungkapan transaksi sukuk ijarah dan sukuk mudharabah.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

i. Marketable securities

Marketable securities consist of Certificates of Bank Indonesia (SBI), Certificate of Deposits of Bank Indonesia (SDBI), corporate bonds, mutual funds, domestic L/C, export bills receivable, sukuk, government bonds, other money market and capital market securities.

Government bonds are bonds issued by the Government of Indonesia acquired through the primary and secondary markets.

Marketable securities are initially measured at fair value. After the initial recognition, the marketable securities are recorded according to their category, i.e., fair value through other comprehensive income, amortized cost investments or at fair value through profit or loss.

The value of marketable securities is stated based on the classification as follows:

- 1) Amortized cost marketable securities are carried at amortized cost using the effective interest rate method.
- 2) Marketable securities classified as held-for-trading and designated at fair value through profit or loss on initial recognition are stated at fair value. Gains and losses from changes in fair value are recognized in the statements of profit or loss and other comprehensive income.
- 3) Marketable securities classified as fair value through other comprehensive income investments are stated at fair value. Interest income is recognized in the statements of profit or loss and other comprehensive income using the effective interest rate method. Foreign exchange gains or losses on available-for-sale marketable securities are recognized in the statements of profit or loss and other comprehensive income.

Other fair value changes are recognized directly in equity until the marketable securities are sold or impaired, whereby the cumulative gains and losses previously recognized in equity are recognized in the statements of profit or loss and other comprehensive income.

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.

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

i. Surat berharga (lanjutan)

1) Diukur pada biaya perolehan

- a) Investasi tersebut dimiliki dalam suatu model usaha yang bertujuan utama untuk memperoleh arus kas kontraktual dan terdapat persyaratan kontraktual dalam menentukan tanggal tertentu atas pembayaran pokok dan atau hasilnya.
- b) Biaya perolehan sukuk termasuk biaya transaksi.
- c) Selisih antara biaya perolehan dan nilai nominal diamortisasi secara garis lurus selama jangka waktu sukuk.
- d) Rugi penurunan nilai diakui jika jumlah terpulihkan lebih kecil dari jumlah tercatat dan disajikan sebagai rugi penurunan nilai di dalam laba rugi.

2) Diukur pada nilai wajar

- a) Nilai wajar ditentukan dengan mengacu pada urutan sebagai berikut:
 - Kuotasi harga di pasar aktif.
 - Harga yang terjadi dari transaksi terkini, apabila tidak ada kuotasi harga di pasar aktif.
 - Nilai wajar instrumen sejenis, apabila tidak ada kuotasi harga di pasar aktif, dan tidak ada harga yang terjadi dari transaksi terkini.
- b) Biaya perolehan sukuk tidak termasuk biaya transaksi.
- c) Selisih antara nilai wajar dan jumlah tercatat diakui dalam laba rugi.

j. Surat berharga yang dijual dengan janji dibeli kembali (repo) dan surat berharga yang dibeli dengan janji dijual kembali (reverse repo)

Surat berharga yang dijual dengan janji dibeli kembali (*repo*) disajikan sebagai liabilitas dalam laporan posisi keuangan sebesar harga pembelian kembali yang disepakati dikurangi selisih antara harga jual dan harga pembelian kembali yang disepakati. Selisih antara harga jual dan harga pembelian kembali yang disepakati tersebut diamortisasi dengan menggunakan metode suku bunga efektif sebagai beban bunga selama jangka waktu sejak surat berharga tersebut dijual hingga saat dibeli kembali.

Surat berharga yang dijual dengan janji dibeli kembali diklasifikasikan sebagai biaya perolehan diamortisasi.

Surat berharga yang dibeli dengan janji untuk dijual kembali (*reverse repo*) disajikan sebagai aset dalam laporan posisi keuangan sebesar harga beli ditambah dengan pendapatan bunga yang sudah diakui tapi belum diterima, dikurangi dengan cadangan kerugian penurunan nilai, jika diperlukan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Marketable securities (continued)

1) Measured at cost

- a) The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and has contractual term in determining the specific date of principal payments and or the results.
- b) Sukuk acquisition cost includes transaction cost.
- c) The difference between the acquisition cost and the nominal value is amortized on a straight line basis over the period of the sukuk.
- d) Impairment loss is recognized if the recoverable amount is less than the carrying amount and is presented as an impairment loss in the profit or loss.

2) Measured at fair value

- a) The fair value is determined with reference to the following order:
 - Price quotation in active market.
 - Price from the current transaction, if there is no available price quotations in an active market.
 - Fair value of similar instrument, if there is no available price quotations in an active market and no price from the current transaction.
- b) Sukuk acquisition cost does not include transaction cost.
- c) The difference between fair value and carrying value is presented in profit or loss.

j. Marketable securities sold under repurchase agreement (repo) and marketable securities purchased under resale agreement (reverse repo)

Marketable securities sold under repurchased agreements (*repo*) are presented as liabilities in the statement of financial position at the agreed repurchase price less the difference between the selling price and agreed repurchase price. The difference between the selling price and agreed repurchase price is amortised using effective interest method as interest expense over the period commencing from the selling date to the repurchase date.

Marketable securities sold under repurchased agreement are classified as amortized cost.

Marketable securities purchased under resale agreements (*reverse repo*) are presented as an asset in the statement of financial position at the purchase price added with interest income recognised but not yet received, less allowance for impairment losses, where appropriate.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 "margin 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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 dihapusbukkan ketika tidak terdapat prospek yang realistis mengenai pengembalian di masa datang dan semua jaminan telah diupayakan untuk direalisasi atau sudah diambil alih. Kredit yang tidak dapat dilunasi dihapusbukkan dengan mendebet cadangan kerugian penurunan nilai. Pelunasan kemudian atas kredit yang telah dihapusbukkan sebelumnya, jika pada periode berjalan dikreditkan ke cadangan kerugian penurunan nilai di laporan posisi keuangan, jika setelah tanggal laporan posisi keuangan dikreditkan sebagai pendapatan operasional lainnya dalam laporan laba rugi dan penghasilan komprehensif lain.

**2. 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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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;

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

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 marjin) yang didiskonto menggunakan marjin efektif.

Sedangkan penyisihan kerugian penurunan nilai atas aset keuangan yang dinilai secara kolektif berdasarkan pengalaman kerugian yang lalu (*historical loss experience*). *Historical loss experience* disesuaikan menggunakan dasar data yang dapat diobservasi untuk mencerminkan efek dari kondisi saat ini terhadap Bank dan menghilangkan efek dari masa lalu yang sudah tidak berlaku saat ini.

Bank menggunakan *roll rate analysis method* untuk menilai penyisihan kerugian penurunan nilai aset. Bank menggunakan data historis selama 3 (tiga) tahun dalam perhitungan *Probability of Default* (PD) dan menggunakan data historis selama 3 (tiga) tahun untuk *Loss Given Default* (LGD).

2. 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).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 15).

Kenaikan nilai tercatat yang timbul dari revaluasi dicatat sebagai "Surplus Revaluasi Aset Tetap", dan disajikan dalam penghasilan komprehensif lain. Namun, kenaikan tersebut diakui dalam laba rugi hingga sebesar jumlah penurunan nilai aset yang sama akibat revaluasi yang pernah dilakukan sebelumnya dalam laba rugi. Penurunan nilai tercatat yang timbul dari revaluasi diakui dalam laba rugi.

**2. 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 15).

The increase in the carrying amount arising from the revaluation is recorded as "Surplus Revaluation of Fixed Assets", and are presented in other comprehensive income. However, the increase is recognized in profit or loss up to the amount of impairment of the similar assets due to revaluation that was done before in profit or loss. The decrease in the carrying amount arising from the revaluation is recognized in profit or loss.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 hubungan dengan perolehan hak atas tanah, diakui sebagai biaya perolehan hak atas tanah. Biaya pengurusan legal hak atas tanah ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan aset tanah. Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek.

**2. 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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

p. Aset hak guna dan liabilitas sewa

Pada tanggal permulaan kontrak, Bank menilai apakah kontrak merupakan atau mengandung sewa. Suatu kontrak merupakan atau mengandung sewa jika kontrak tersebut memberikan hak untuk mengendalikan penggunaan aset identifikasi selama suatu jangka waktu untuk dipertukarkan dengan imbalan. Bank dapat memilih untuk tidak mengakui aset hak-guna dan liabilitas sewa untuk:

- Sewa jangka-pendek; dan
- Sewa yang aset dasarnya bernilai rendah.

Untuk menilai apakah kontrak memberikan hak untuk mengendalikan penggunaan aset identifikasi, Bank harus menilai apakah:

- Bank memiliki hak untuk mendapatkan secara substansial seluruh manfaat ekonomi dari penggunaan aset identifikasi; dan
- Bank memiliki hak untuk mengarahkan penggunaan aset identifikasi. Bank memiliki hak ini ketika Bank memiliki hak untuk pengambilan keputusan yang relevan tentang bagaimana dan untuk tujuan apa aset digunakan telah ditentukan sebelumnya:

- a) Bank memiliki hak untuk mengoperasikan aset;
- b) Bank telah mendesain aset dengan cara menetapkan sebelumnya bagaimana dan untuk tujuan apa aset akan digunakan selama periode penggunaan.

Pada tanggal permulaan sewa, Bank mengakui aset hak-guna dan liabilitas sewa. Aset hak-guna diukur pada biaya perolehan, dimana meliputi jumlah pengukuran awal liabilitas sewa yang disesuaikan dengan pembayaran sewa yang dilakukan pada atau sebelum tanggal permulaan, ditambah dengan biaya langsung awal yang dikeluarkan. Untuk pengukuran selanjutnya, aset hak guna dikurangi dengan akumulasi penyusutan dan kerugian penurunan nilai, serta disesuaikan untuk setiap pengukuran kembali liabilitas sewa. Aset hak-guna diamortisasi dengan menggunakan metode garis lurus sepanjang jangka waktu sewa.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Right of use assets and lease liabilities

At the inception of a contract, the Bank assesses whether the contract is or contains a leases. A contract is or contains a leases if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration. The Bank can choose not to recognise the right-of-use asset and lease liabilities for:

- Short term lease; and
- Low value asset.

To assess whether a contract conveys the right to control the use of an identified asset, the Bank shall assess whether:

- The Bank has the right to obtain substantially all the economic benefit from use of the asset throughout the period of use; and
- The Bank has the right to direct the use of the asset. The Bank has described when it has a decision-making rights that are the most relevant to changing how and for what purpose the asset is used are predetermined:

- a) The Bank has the right to operate the asset;
- b) The Bank has designed the asset in a way that predetermine how and for what purpose it will be used.

The Bank recognises a right-of-use asset and a leases liability at the leases commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the leases liability adjusted for any leases payment made at or before the commencement date, plus any initial direct cost incurred. For the subsequent measurements, the right of use assets less the accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use asset is amortised over the straight-line method throughout the lease term.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

p. Aset hak guna dan liabilitas sewa (lanjutan)

Liabilitas sewa diukur pada nilai kini pembayaran sewa yang belum dibayar pada tanggal permulaan, didiskontokan dengan menggunakan suku bunga implisit dalam sewa atau jika suku bunga tersebut tidak dapat ditentukan, maka menggunakan suku bunga pinjaman inkremental. Pada umumnya, Bank menggunakan suku bunga pinjaman inkremental sebagai tingkat bunga diskonto. Untuk pengukuran selanjutnya, jumlah liabilitas sewa ditingkatkan untuk mencerminkan pertambahan bunga dan dikurangi pembayaran sewa yang dilakukan. Selain itu, jumlah tercatat liabilitas sewa diukur kembali jika terdapat modifikasi, perubahan jangka waktu sewa, perubahan pembayaran sewa, atau perubahan dalam penilaian opsi untuk membeli aset pendasar.

Pembayaran sewa dialokasikan menjadi bagian pokok dan biaya keuangan. Biaya keuangan dibebankan pada laba rugi selama periode sewa sehingga menghasilkan tingkat suku bunga periodik yang konstan atas saldo liabilitas untuk setiap periode.

Jika sewa mengalihkan kepemilikan aset pendasar kepada Bank pada akhir masa sewa atau jika biaya perolehan aset hak-guna merefleksikan Bank akan mengeksekusi opsi beli, maka Bank menyusutkan aset hak-guna dari tanggal permulaan hingga akhir umur manfaat aset pendasar. Jika tidak, maka Bank menyusutkan aset hak-guna dari tanggal permulaan hingga tanggal yang lebih awal antara akhir umur manfaat aset hak-guna atau akhir masa sewa.

Modifikasi sewa

Bank mencatat modifikasi sewa sebagai sewa terpisah jika:

- modifikasi meningkatkan ruang lingkup sewa dengan menambahkan hak untuk menggunakan satu aset pendasar atau lebih;
- imbalan sewa meningkat sebesar jumlah yang setara dengan harga tersendiri untuk peningkatan dalam ruang lingkup dan penyesuaian yang tepat pada harga tersendiri tersebut untuk merefleksikan kondisi kontrak tertentu.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**p. Right of use assets and lease liabilities
(continued)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that right cannot be readily determined, using incremental borrowing rate. Generally, the Bank uses its incremental borrowing rate as a discount rate. For the subsequent measurement, amount of lease liabilities increased to reflect the increasing of interest and reduced by the lease payments. In addition, the carrying amount of lease liabilities remeasured if there is a modification, change in lease term, change of lease payment, or changes in assessment of purchase option of the underlying asset.

Each leases payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the leases period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

If the leases transfers ownership of the underlying asset to the Bank by the end of the leases term or if the cost of the right-of-use asset reflects that the Bank will exercise a purchase option, the Bank depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Bank depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the leases term.

Leases modification

The Bank account for a leases modification as a separate leases if both:

- the modification increases the scope of the leases by adding the right to use one or more underlying assets;
- the consideration for the leases increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

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)**

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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

t. Pinjaman yang diterima

Pinjaman diterima merupakan dana yang diterima dari Bank Indonesia atau pihak lain dengan liabilitas pembayaran kembali sesuai dengan persyaratan perjanjian pinjaman.

Pinjaman diterima diakui sebesar nilai wajar pada awalnya dan selanjutnya diukur sebesar biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif. Biaya perolehan diamortisasi dihitung dengan memperhitungkan adanya diskonto atau premi terkait dengan pengakuan awal pinjaman diterima dan biaya transaksi merupakan bagian tidak terpisahkan dari metode suku bunga efektif.

u. Dana syirkah temporer

Dana *syirkah* temporer merupakan investasi dengan akad *mudharabah mutlaqah*, yaitu pemilik dana memberikan kebebasan kepada pengelola dana dalam pengelolaan investasinya dengan keuntungan dibagikan sesuai kesepakatan. Dana syirkah temporer terdiri dari giro *mudharabah*, tabungan *mudharabah*, dan deposito *mudharabah*.

Giro dan tabungan *mudharabah* merupakan investasi yang bisa ditarik kapan saja atau sesuai dengan persyaratan tertentu yang disepakati. Giro dan tabungan *mudharabah* dinyatakan sebesar saldo tabungan nasabah di bank.

Deposito *mudharabah* merupakan investasi yang hanya bisa ditarik pada waktu tertentu sesuai dengan perjanjian antara pemegang deposito *mudharabah* dengan bank. Deposito *mudharabah* dinyatakan sebesar nilai nominal sesuai dengan perjanjian antara pemegang deposito dengan bank.

Dana syirkah temporer tidak dapat digolongkan dengan kewajiban. Hal ini karena bank tidak berkewajiban untuk mengembalikan jumlah dana awal dari pemilik dana kecuali akibat kelalaian atau wanprestasi ketika mengalami kerugian. Di sisi lain dana syirkah temporer tidak dapat digolongkan sebagai ekuitas karena mempunyai waktu jatuh tempo dan pemilik dana tidak mempunyai hak kepemilikan yang sama dengan pemegang saham seperti hak voting dan hak atas realisasi keuntungan yang berasal dari aset lancar dan aset non investasi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

t. Borrowings

Borrowings are funds received from Bank Indonesia or other parties with payment obligation based on borrowings agreement.

Borrowings are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium related to the initial recognition of borrowings and transaction costs are an integral part of the effective interest rate method.

u. Temporary syirkah funds

Temporary syirkah funds represent investment from other parties conducted on the basis mudharabah mutlaqah contract in which the owners of the funds grant freedom to the fund manager in the management of their investments with profit distributed based on the contract. Temporary syirkah funds consist of mudharabah current account, mudharabah saving deposits, and mudharabah time deposits.

Mudharabah current accounts and saving deposits represent investment which could be withdrawn anytime or can be withdrawn based on certain agreed terms. Mudharabah current accounts and savings deposits are stated based on the customer's savings deposits balance in bank.

Mudharabah time deposits represent investment that can only be withdrawn at a certain time based on the agreement between the customer and the bank. Mudharabah time deposits are stated at nominal amount as agreed between the deposit holder and the bank.

Temporary syirkah fund cannot be classified as liability. This was because bank does not have any liability to return the initial fund to the owners, except for losses due to bank management's negligence or when default of loss is incurred. On the other hand, temporary syirkah fund cannot be classified as shareholders' equity, because of the maturity period and the depositors do not have the same rights as the shareholders' such as voting rights and the rights of realised gain from current assets and other non-investmet account.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

u. Dana syirkah temporer (lanjutan)

Pemilik dana syirkah temporer mendapatkan imbalan bagi hasil sesuai dengan nisbah yang ditetapkan.

Hak nasabah atas bagi hasil dana syirkah temporer merupakan bagian bagi hasil milik nasabah yang didasarkan pada prinsip mudharabah atas hasil pengelolaan dana mereka oleh bank. Pendapatan yang dibagikan adalah yang telah diterima (*cash basis*).

Pembagian hasil usaha dilakukan berdasarkan prinsip bagi hasil usaha yaitu dari pendapatan bank yang diterima berupa laba kotor (*gross profit margin*).

Pendapatan margin dan bagi hasil atas pembiayaan yang diberikan dan atas aset produktif lainnya akan dibagikan kepada nasabah penyimpan dana dan bank sesuai dengan proporsi dana yang dipakai dalam pembiayaan yang diberikan dan aset produktif lainnya. Selanjutnya, pendapatan margin dan bagi hasil yang tersedia untuk nasabah tersebut kemudian dibagikan ke nasabah penabung dan deposan sebagai shahibul maal dan bank sebagai mudharib sesuai porsi nisbah bagi hasil yang telah disepakati bersama sebelumnya. Pendapatan margin dan bagi hasil dari pembiayaan dan aset produktif lainnya yang memakai dana bank, seluruhnya menjadi milik bank, termasuk pendapatan dari investasi bank berbasis imbalan.

v. Pendapatan dan beban bunga

Konvensional

Pendapatan dan beban bunga diakui pada laporan laba rugi dan penghasilan komprehensif lain dengan menggunakan metode suku bunga efektif.

Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas di masa datang selama perkiraan umur dari aset keuangan atau liabilitas keuangan (atau, jika lebih tepat, digunakan periode yang lebih singkat) untuk memperoleh nilai tercatat neto dari aset keuangan atau liabilitas keuangan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

u. Temporary syirkah funds (continued)

The owner of temporary syirkah funds receives a return from the profit sharing based on predetermined ratio.

Third parties' share on return of temporary syirkah funds represents customer's share on the bank's income derived from the management of their funds by the bank under mudharabah principles. Income that will be distributed is the cash received (*cash basis*) from the share.

The distribution of revenue is based on profit sharing scheme on the bank's gross profit margin.

Margin income and profit sharing on financing facilities and other earning assets are distributed to fund owners and the bank based on proportion of fund used in the financing and other earning assets. Margin income and profit sharing income allocated to fund owners are then distributed to fund owners and depositors as shahibul maal and the bank as mudharib based on a predetermined ratio (*nisbah*). Margin income and profit sharing from financing facilities and other earning assets using the bank's funds, are entirely shared for the bank, including income from the bank's fee-based transactions.

v. Interest income and expenses

Conventional

Interest income and expenses are recognized in the statement of profit or loss and other comprehensive income using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

z. Program imbalan kerja (lanjutan)

Program imbalan pasti

Imbalan kerja ditentukan berdasarkan peraturan Bank dan Undang-undang Cipta Kerja No.11 tahun 2020 tanggal 2 November 2020. Penyisihan untuk imbalan masa kerja diukur berdasarkan laporan aktuarial. Bank menggunakan metode penilaian aktuarial *projected unit credit* untuk menentukan nilai kini dari imbalan, biaya jasa kini dan biaya jasa lalu. Keuntungan dan kerugian aktuarial diakui sebagai pendapatan atau beban apabila akumulasi keuntungan dan kerugian aktuarial bersih yang belum diakui untuk setiap program pada akhir periode pelaporan sebelumnya melebihi jumlah yang lebih besar diantara 10% dari nilai kini kewajiban imbalan pasti (sebelum dikurangi aset program) pada tanggal tersebut atau 10% dari nilai wajar aset program pada tanggal tersebut. Keuntungan atau kerugian aktuarial diakui sebagai pendapatan atau beban berdasarkan metode garis lurus selama rata-rata sisa masa kerja karyawan.

Biaya jasa lalu yang terjadi ketika pengenalan program imbalan pasti atau perubahan imbalan terutang pada program yang ada diamortisasi selama periode sampai dengan imbalan tersebut menjadi hak pekerja atau *vested*.

Imbalan kerja jangka pendek

Imbalan kerja jangka pendek seperti upah, iuran jaminan sosial, cuti jangka pendek, bonus dan imbalan non-moneter lainnya diakui selama periode jasa diberikan. Imbalan kerja jangka pendek diukur sebesar jumlah yang tidak didiskontokan.

Program pensiun manfaat pasti

Pada tahun 2019, Bank melakukan perubahan Peraturan Dana Pensiun sesuai dengan Keputusan Direksi PT Bank Pembangunan Daerah Jawa Timur Tbk selaku pendiri Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No. 058/050.2/DIR/HCP/KEP tanggal 12 Maret 2019. Peraturan Dana Pensiun tersebut telah mendapat pengesahan dari Dewan Komisaris Otoritas Jasa Keuangan No.Kep-24/NB.1/2019 tanggal 14 Juni 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Employee benefit plan (continued)

Defined benefits plans

The benefits are determined based on the Bank's regulations and Job Creation No.11 year 2020 dated 2 November 2020. The provision for employee service entitlements is estimated on the basis of actuarial reports. The Bank uses the projected unit credit method to determine the present value of benefits, current service cost and past service cost. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceed the greater of 10% of the higher of the present value of the defined benefits obligation (before deducting plan assets) or 10% of the fair value of plan assets at that date. Such actuarial gains or losses are recognized as income or expense on a straight-line basis over the expected average remaining working lives of the employees.

Past-service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

Short-term employee benefits

Short-term employee benefits such as wages, social security contributions, short-term compensated leaves, bonuses and other non-monetary benefits are recognized during the period when services have been rendered. Short-term employee benefits are measured using undiscounted amounts.

Defined benefit pension plan

In 2019, the Bank has modified the Pension Fund Policy in accordance with the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk as the founder of Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.058/050.2/DIR/HCP/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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN
(lanjutan)**

z. Program imbalan kerja (lanjutan)

Program pensiun manfaat pasti (lanjutan)

Peraturan Dana Pensiun tersebut merubah Keputusan Direksi PT Bank Pembangunan Daerah Jawa Timur Tbk selaku pendiri Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.056/096/KEP/DIR/SK tanggal 22 Mei 2017, yang telah mendapat pengesahan dari Dewan Komisaris Otoritas Jasa Keuangan No.KEP-56/NB.1/2017 tanggal 8 November 2017. Bank menyelenggarakan program pensiun manfaat pasti untuk pegawai yang telah terdaftar di Dana Pensiun PT Bank Pembangunan Daerah Jawa Timur Tbk serta telah diangkat menjadi pegawai tetap sampai dengan tanggal 24 Agustus 2012. Kontribusi pegawai sebesar 5% dari penghasilan dasar pensiun pekerja dan atas sisa jumlah yang perlu didanakan kepada Dana Pensiun merupakan kontribusi Bank.

Program pensiun iuran pasti

Sesuai dengan keputusan Direksi PT Bank Pembangunan Daerah Jawa Timur Tbk No.050/067/KEP/DIR/SDM tanggal 20 April 2012, Bank mengadakan perjanjian kerjasama dengan Dana Pensiun Lembaga Keuangan (DPLK) Bank Rakyat Indonesia pada tanggal 23 April 2012 tentang pengelolaan program pensiun iuran pasti bagi pegawai Bank.

Iuran kepada dana pensiun sebesar persentase tertentu dari gaji pegawai yang menjadi peserta program pensiun iuran pasti Bank, dicadangkan dan diakui sebagai biaya ketika jasa telah diberikan oleh pegawai-pegawai tersebut.

Program asuransi tunjangan hari tua

- 1) Keputusan Direksi No.KEP.079/BPD/83 tanggal 11 November 1983 dan perubahannya No.KEP.006/BPD/85 tanggal 29 Januari 1985, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 3 November 1993 dengan Asuransi Jiwa Bersama Bumiputera 1912, tentang Pengelolaan Program Asuransi Dwiguna Standar US\$. Berdasarkan program ini, pada saat mulai memasuki masa pensiun, selain tunjangan pensiun, karyawan juga akan memperoleh tunjangan hari tua yang besarnya bervariasi sesuai dengan jabatan terakhir dari karyawan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Employee benefit plan (continued)

Defined benefit pension plan (continued)

The Policy superseded the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk as the founder of Dana Pensiun Pegawai Bank Pembangunan Daerah Jawa Timur No.056/096/KEP/DIR/SK dated on May 22, 2017, as approved by the decree of Indonesia Financial Services Authority No.KEP-56/NB.1/2017 dated November 8, 2017. The Policy applies to all employees who are registered in Financial Institutions Fund Pension of PT Bank Pembangunan Daerah Jawa Timur Tbk and has been appointed as permanent employee of the Bank before and on August 24, 2012. The contribution paid by the employees is 5% of employees' basic pension salaries and the remaining amount is paid by the Bank.

Defined contribution pension plan

In accordance with the decision of the Directors of PT Bank Pembangunan Daerah Jawa Timur Tbk No.050/067/KEP/DIR/SDM dated April 20, 2012, the Bank entered into a cooperation agreement with "Dana Pensiun Lembaga Keuangan Bank Rakyat Indonesia" dated April 23, 2012 regarding defined contribution pension plan for the Bank's employees.

Contribution payable to a pension fund equivalent to a certain percentage of salaries for qualified employees under the Bank's defined contribution plan is accrued and recognized as expense when services have been rendered by qualified employees.

Pension insurance plan

- 1) Directors' decision No.KEP.079/BPD/83 dated November 11, 1983 and its amendment No.KEP.006/BPD/85 dated January 29, 1985, the Bank provides mutual aid pensions (tunjangan hari tua) in the form of a Mutual Aid Pension Insurance Plan (Program Asuransi Tunjangan Hari Tua) for all employees through a cooperation agreement dated November 3, 1993 with Asuransi Jiwa Bersama Bumiputera 1912 for insurance under a program Asuransi Dwiguna Standar US\$. Based on this program, at the commencement of the pension period, in addition to pension allowances, each employee will also receive a mutual aid pension (tunjangan hari tua) based on the employee's latest position.

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

z. Program imbalan kerja (lanjutan)

Program asuransi tunjangan hari tua (lanjutan)

1) Keputusan Direksi No.046/042.1/KEP/DIR/SDM tanggal 3 Maret 2008, telah diamendemen dengan Keputusan Direksi No.048/068.1/KEP/DIR/SDM tertanggal 3 Mei 2010 yang menyatakan besarnya tunjangan hari tua ditentukan sesuai dengan jabatan dengan besaran dasar uang asuransi antara Rp22,5 sampai dengan Rp200. Premi asuransi masing-masing peserta dibayar dimuka oleh Bank dan diamortisasi selama sisa masa kerja karyawan.

Sesuai dengan Keputusan Direksi No.050/020/ADD/SP/DIR/SDM tanggal 30 Maret 2012 terkait addendum atas perjanjian kerjasama pengelolaan program asuransi tunjangan hari tua dengan Asuransi Jiwasraya bahwa disepakati adanya kenaikan uang asuransi dan premi.

2) Sesuai dengan persetujuan Dewan Komisaris No.040/090/DK/BPD/02 tanggal 30 Desember 2002, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 31 Desember 2002 dengan PT Asuransi Jiwasraya (Persero) tentang Pengelolaan Program Asuransi Tunjangan Hari Tua. Berdasarkan program ini, pada saat mulai memasuki masa pensiun, selain tunjangan pensiun, karyawan juga akan memperoleh tunjangan hari tua yang besarnya disesuaikan dengan masa kerja dan jumlah gaji terakhir. Premi asuransi masing-masing peserta dibayar di muka oleh Bank dan diamortisasi selama sisa masa kerja karyawan.

3) Sesuai dengan persetujuan melalui Keputusan Direksi No.KEP.061/03/29/DIR/HC/KEP tanggal 18 Juli 2022, Bank juga menyelenggarakan program manfaat pasti dalam bentuk tunjangan hari tua melalui Program Asuransi Tunjangan Hari Tua untuk seluruh karyawan melalui perjanjian kerja sama yang diadakan pada tanggal 13 Juni 2022 dengan PT Asuransi Jiwa Inhealth Indonesia, tentang Pengelolaan Program Asuransi Dwiguna. Berdasarkan program ini, pada saat mulai memasuki masa pensiun, meninggal dunia, mengundurkan diri dengan hormat dan mengundurkan diri karena mengikuti program pengakhiran bakti pegawai.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Employee benefit plan (continued)

Pension insurance plan (continued)

1) Directors' decision No.046/042.1/KEP/DIR/SDM dated March 3, 2008 has been amended with Director's decision No.048/068.1/KEP/DIR/SDM dated May 3, 2010, which stated that the pension allowance was determined based on the employees position with a basic insurance value ranging from Rp22.5 to Rp200. The insurance premiums for employees are paid in advance by the Bank and are amortized over the remaining years of service of employees.

Pursuant with Director's decision No.050/020/ADD/SP/DIR/SDM dated March 30, 2012 about added for agreement for management insurance program pension with Insurance Jiwasraya (Corporate) was acceptable increase premiums insurance.

2) Pursuant to the Board of Commissioners' decision No.040/090/DK/BPD/02 dated December 30, 2002, the Bank also provides mutual aid pensions (tunjangan hari tua), through management of a Mutual Aid Pension Insurance Plan (Program Asuransi Tunjangan Hari Tua) for all employees under a cooperation agreement, dated December 31, 2002 with PT Asuransi Jiwasraya (Persero) regarding Management of a Mutual Aid Pension Insurance Plan. Based on this plan, at the commencement of the pension period, in addition to a pension allowance, employees will also receive mutual aid pensions (tunjangan hari tua) equal to the number of years of service multiplied by the employee's latest monthly salary. The insurance premiums for employees are paid in advance by the Bank and are amortized over the remaining years of service of employees.

3) Pursuant to the the approval through the Decree of the Board of Directors No.KEP.061/03/29/DIR/HC/KEP dated July 18, 2022, the Bank also organizes a defined benefit program in the form of pension benefits through the pension Benefit Insurance Program for all employees through a cooperation agreement held on June 13, 2022 with PT Asuransi Jiwa Inhealth Indonesia, regarding the Management of the endowment Insurance Program. Based on this program, when entering retirement age, he dies, resigns with honor and resigns due to participating in the employee service termination program.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 "Tambahan Modal Disetor - Neto" sebagai bagian dari ekuitas pada laporan posisi keuangan.

ab. Dividen

Pembagian dividen kepada para pemegang saham Bank diakui sebagai sebuah liabilitas dalam laporan keuangan Bank pada tahun ketika dividen tersebut disetujui oleh para pemegang saham Bank.

ac. Provisi

Provisi diakui jika Bank memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) yang akibat peristiwa masa lalu, besar kemungkinannya penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan estimasi yang andal mengenai jumlah kewajiban tersebut dapat dibuat.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi dibatalkan.

ad. Liabilitas dan aset kontinjensi

Liabilitas kontinjensi tidak diakui dalam laporan keuangan tetapi diungkapkan kecuali jika kemungkinan terjadi kecil. Aset kontinjensi tidak diakui namun diungkapkan dalam laporan keuangan ketika adanya kemungkinan untuk mendapatkan manfaat ekonomi.

ae. Informasi segmen

Bank menentukan dan menyajikan segmen operasi berdasarkan informasi yang secara internal diberikan oleh bagian akuntansi kepada pengambil keputusan operasional.

Bank mengidentifikasi segmen operasi sebagai suatu komponen dari entitas:

- 1) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);

**2. 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);

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 22g).

Pensiun

Program-program pensiun ditentukan berdasarkan perhitungan aktuaria. Perhitungan aktuaria menggunakan asumsi-asumsi seperti tingkat diskonto, tingkat pengembalian investasi, tingkat kenaikan gaji, tingkat kematian, tingkat pengunduran diri dan lain-lain (Catatan 53).

Penurunan nilai surat berharga pada biaya
perolehan diamortisasi

Bank mereview surat berharga yang diklasifikasikan pada biaya perolehan diamortisasi pada setiap tanggal posisi keuangan untuk menilai apakah telah terjadi penurunan nilai.

Dalam menentukan pertimbangan, Bank mengevaluasi diantaranya faktor, pergerakan harga pasar historis dan jangka waktu serta lama perpanjangan di mana nilai wajar dari investasi kurang dari biayanya (Catatan 8 dan 43e).

Penurunan nilai atas aset tidak produktif

Bank melakukan penilaian atas penurunan nilai pada aset non-finansial kapan saja terdapat peristiwa atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat pada suatu aset mungkin tidak dapat diperoleh kembali. Faktor-faktor yang dianggap penting oleh Bank yang dapat memicu adanya ulasan atas penurunan nilai termasuk sebagai berikut (Catatan 43e):

- 1) Kinerja di bawah rata-rata yang signifikan yang relatif terhadap hasil historis atau proyeksi hasil operasi yang diharapkan; di masa yang akan datang;
- 2) Perubahan yang signifikan dari cara penggunaan aset yang diperoleh atau strategi untuk bisnis secara keseluruhan; dan
- 3) Tren negatif industri dan ekonomi yang signifikan.

**2. 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 22g).

Pension

Pension programs are determined based on actuarial valuation. The actuarial valuation involves assumptions such as discount rate expected rate of returns on investments, future salary increase, mortality rate, resignation rates and others (Note 53).

Impairment of amortized cost marketable
securities

Bank reviews marketable securities classified amortized cost at each financial position date to assess whether there is an impairment in value.

In making this judgment, the Bank evaluates, among others factors, historical market price movements and duration and the extent to which the fair value of the investment is less than the cost (Note 8 and 43e).

Impairment of non-productive assets

Bank assesses impairment on non productive assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the followings (Note 43e):

- 1) Significant underperformance relative to expected historical or projected future operating results;
- 2) Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- 3) Significant negative industry or economic trends.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**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 2m), yang juga menetapkan sensitivitas kunci ECL terhadap perubahan elemen-elemen ini.

Sejumlah pertimbangan signifikan juga diperlukan dalam menerapkan persyaratan akuntansi untuk mengukur ECL, seperti:

- Menentukan kriteria untuk peningkatan risiko kredit yang signifikan;
- Memilih model dan asumsi yang tepat untuk pengukuran ECL;
- Menetapkan jumlah dan bobot relatif dari skenario *forward-looking* untuk setiap jenis produk/pasar dan ECL terkait; dan
- Membentuk kelompok aset keuangan serupa untuk keperluan pengukuran ECL.

Estimasi ini didasarkan pada asumsi-asumsi tentang sejumlah faktor dan hasil aktual mungkin berbeda, yang tercermin dalam perubahan penyisihan ECL tersebut di masa mendatang (Catatan 12).

Penyusutan dan estimasi masa manfaat dari aset tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode garis lurus untuk bangunan dan metode saldo menurun ganda untuk selain bangunan berdasarkan taksiran masa manfaat ekonomisnya. Manajemen Bank mengestimasi masa manfaat ekonomis aset tetap antara 4 sampai dengan 20 tahun.

Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi (Catatan 15).

**2. 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 2m), which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing Banks of similar financial assets for the purposes of measuring ECL.

These estimates are based on assumptions about a number of factors and actual results may differ, as reflected in changes in the ECL allowance in the future (Note 12).

Depreciation and estimated useful lives of fixed assets

The costs of fixed asset are depreciated on a straight-line method for buildings and on a double declining balance method for other than buildings over their estimated useful lives. The Bank's management estimates the useful lives of these fixed assets to be within 4 to 20 years.

Changes in the expected level of the usage and technological development could impact the economic useful lives and the residual values of the assets, and therefore future depreciation changes could be revised (Note 15).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

3. KAS

	2022	
	Jumlah nosional mata uang asing/ <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ Rupiah <i>equivalent</i>
Rupiah		1.946.513
Mata uang asing		
Dolar Amerika Serikat	1.338.167	20.832
Riyal Saudi Arabia	1.749.592	7.242
Dolar Singapura	536.709	6.222
Ringgit Malaysia	967.717	3.420
Euro	122.970	2.039
Dolar Australia	84.290	890
Dolar Hong Kong	215.120	429
Yen Jepang	2.560.000	302
Yuan China Renminbi	124.248	277
Poundsterling Inggris Raya	5.100	96
Jumlah mata uang asing		41.749
Jumlah kas		1.988.262

Kas dalam Rupiah pada tanggal 31 Desember 2022 dan 2021, masing-masing termasuk uang pada mesin Anjungan Tunai Mandiri (ATM) dan *Cash Recycle Machine* (CRM) sejumlah Rp295.380 dan Rp357.687.

4. GIRO PADA BANK INDONESIA

	2022	
	Jumlah nosional mata uang asing / <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ Rupiah <i>equivalent</i>
Rupiah		10.774.286
Dolar Amerika Serikat	800.000	12.454
Jumlah		10.786.740

Dalam giro pada Bank Indonesia termasuk giro yang didasarkan pada prinsip perbankan syariah sebesar Rp184.549 dan Rp129.529 masing-masing pada tanggal 31 Desember 2022 dan 2021.

3. CASH

	2021		
	Jumlah nosional mata uang asing/ <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ Rupiah <i>equivalent</i>	
		1.986.107	Rupiah
			Foreign currencies
	1.244.946	17.743	United States Dollar
	2.248.193	8.534	Saudi Arabian Riyal
	260.809	2.753	Singapore Dollar
	1.022.096	3.493	Malaysian Ringgit
	124.875	2.012	Euro
	72.685	752	Australian Dollar
	200.150	366	Hong Kong Dollar
	3.526.000	436	Japanese Yen
	115.908	259	Chinese Yuan Renminbi
	32.285	622	Great Britain Poundsterling
		36.970	Total foreign currencies
		2.023.077	Total cash

Cash in Rupiah as of December 31, 2022 and 2021, includes funds at Automatic Teller Machines (ATM) and Cash Recycle Machine (CRM) amounting to Rp295,380 and Rp357,687 respectively.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

	2021		
	Jumlah nosional mata uang asing / <i>Notional amount</i> <i>foreign currencies</i> (Dalam angka penuh/ <i>In full amount</i>)	Ekuivalen Rupiah/ Rupiah <i>equivalent</i>	
		8.796.748	Rupiah
	600.000	8.552	United States Dollar
		8.805.300	Total

Current accounts with Bank Indonesia include current accounts based on sharia banking principles amounting to Rp 184,549 and Rp129,529 as of December 31, 2022 and 2021, respectively.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

4. GIRO PADA BANK INDONESIA (lanjutan)

Rasio (GWM) Bank adalah sebagai berikut:

	2022	2021
<u>Konvensional</u>		
Rupiah		
GWM Primer		
Harian	4,75%	5,73%
Rata-rata	7,40%	3,11%
Penyangga Likuiditas Makroprudensial (PLM)	36,38%	35,07%
Mata uang asing	7,39%	7,36%
<u>Syariah</u>		
Rupiah	6,54%	5,96%

Rasio GWM pada tanggal 31 Desember 2022 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 sebagaimana diubah terakhir dengan PBI No.24/4/PBI/2022 tanggal 25 Februari 2022 dengan Peraturan Anggota Dewan Gubernur (PADG) terakhir yaitu PADG No.24/8/PADG/2022 tanggal 30 Juni 2022 tentang Giro Wajib Minimum dalam Rupiah dan Valuta Asing, Bagi Bank Umum Konvensional, Bank Umum Syariah dan Unit Usaha Syariah.

Berdasarkan surat dari Bank Indonesia No.24/228/DKMP/Srt/B tanggal 28 November 2022 dan merujuk pada Peraturan Bank Indonesia Nomor 24/5/PBI/2022, pada tanggal 31 Desember 2022, Bank telah memperoleh insentif atas penyediaan dana untuk kegiatan ekonomi tertentu dan inklusif berupa pemotongan pemenuhan GWM sebesar 1,7%.

Rasio GWM pada tanggal 31 Desember 2021 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.20/03/PBI/2018 sebagaimana diubah sebanyak tiga kali dengan PBI No.23/16/PBI/2021 tanggal 17 Desember 2021 dan dijelaskan dengan Peraturan Anggota Dewan Gubernur (PADG) No.20/10/PADG/2018 sebagaimana diubah tujuh kali dengan PADG No.23/27/PADG/2021 tanggal 21 Desember 2021 tentang Giro Wajib Minimum dalam Rupiah dan Valuta Asing, Bagi Bank Umum Konvensional, Bank Umum Syariah dan Unit Usaha Syariah.

Rasio PLM pada tanggal 31 Desember 2022 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.15/15/PBI/2013 sebagaimana diubah terakhir dengan PBI No.24/16/PBI/2022 tanggal 31 Oktober 2022 dengan Peraturan Anggota Dewan Gubernur (PADG) terakhir yaitu PADG No. 24/14/PADG/2022 tanggal 31 Oktober 2022 tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah.

4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

The (statutory reserve) of the Bank was as follows:

<u>Conventional</u>	
Rupiah	
Primary Statutory Reserve	
Daily	
Average	
Macprudential Liquidity Buffer	
Foreign currencies	
<u>Sharia</u>	
Rupiah	

The statutory reserves ratio as of December 31, 2022 is calculated based on Bank Indonesia Regulation (PBI) No.15/15/PBI/2013 which have been amended with PBI No.24/4/PBI/2022 dated February 25, 2022 with PADG No.24/8/PADG/2022 dated June 30, 2022 regarding Statutory Reserves in Rupiah and Foreign Currency, for Conventional Commercial Banks, Islamic Commercial Banks and Sharia Business Units.

Based on a letter from Bank Indonesia No.24/228/DKMP/Srt/B dated November 28, 2022 and referring to Bank Indonesia Regulation Number 24/5/PBI/2022, as of December 31, 2022, Bank has obtained incentives for providing funds for activities a certain and inclusive economy that reduction in the fulfillment of the statutory reserve requirement by 1.7%.

The statutory reserves ratio as of December 31, 2021 is calculated based on Bank Indonesia Regulation (PBI) No.20/03/PBI/2018 which have been amended three times with PBI No.23/16/PBI/2021 dated December 17, 2021 and explained with PADG No.20/10/PADG/2018 which have been amended seven times with PADG No.23/27/PADG/2021 dated December 21, 2021 regarding Statutory Reserves in Rupiah and Foreign Currency, for Conventional Commercial Banks, Islamic Commercial Banks and Sharia Business Units.

The PLM ratio as of December 31, 2022 is calculated based on Bank Indonesia Regulation (PBI) No.15/15/PBI/2013 which have been amended with PBI No.24/16/PBI/2022 dated October 31, 2022 with PADG No.24/14/PADG/2022 dated October 31, 2022 regarding Macprudential Intermediation Ratio and Macprudential Liquidity Buffer for Conventional Commercial Banks, Islamic Commercial Banks and Sharia Business Units.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

4. GIRO PADA BANK INDONESIA (lanjutan)

Rasio PLM pada tanggal 31 Desember 2021 dihitung berdasarkan Peraturan Bank Indonesia (PBI) No.20/04/PBI/2018 sebagaimana diubah sebanyak tiga kali dengan PBI No.23/17/PBI/2021 tanggal 17 Desember 2021 dan dijelaskan dengan Peraturan Anggota Dewan Gubernur (PADG) No. 20/11/PADG/2018 sebagaimana diubah tiga kali dengan PADG No.23/07/PADG/2021 tanggal 26 April 2021 tentang Rasio Intermediasi Makroprudensial dan Penyangga Likuiditas Makroprudensial bagi Bank Umum Konvensional, Bank Umum Syariah, dan Unit Usaha Syariah.

Pada tanggal 31 Desember 2022 dan 2021, sesuai dengan ketentuan Bank Indonesia tersebut di atas, Bank harus memenuhi persyaratan GWM dalam Rupiah masing-masing sebesar 9% dan 3,5%, sedangkan untuk mata uang asing masing-masing sebesar 4%. Untuk Penyangga Likuiditas Makroprudensial (PLM) adalah sebesar 6% dalam Rupiah pada tanggal 31 Desember 2022 dan 2021.

Pada tanggal 31 Desember 2022 dan 2021, sesuai dengan ketentuan Bank Indonesia tersebut berdasarkan prinsip syariah, Bank harus memenuhi persyaratan GWM dalam Rupiah masing-masing sebesar 7,5% dan 3,5%.

Bank telah memenuhi ketentuan Bank Indonesia tentang Giro Wajib Minimum pada tanggal 31 Desember 2022 dan 2021.

Sisa umur jatuh tempo atas giro pada Bank Indonesia dikategorikan sebagai kurang dari 1 (satu) bulan (Catatan 45).

4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

The macroprudential liquidity buffer ratio as of December 31, 2021 is calculated based on Bank Indonesia Regulation (PBI) No.20/04/PBI/2018 which have been amended three times with PBI No.23/17/PBI/2021 dated December 17, 2021 and explained with PADG No. 20/11/PADG/2018 which have been amended three times with PADG No.23/07/PADG/2021 dated April 26, 2021 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Banks, Islamic Commercial Banks, and Sharia Business Units..

As of December 31, 2022 and 2021, based on the above Bank Indonesia regulations, The Bank is required to maintain primary statutory reserve in Rupiah amounting to 9% and 3.5%, respectively, while statutory reserve for foreign currency amounting to 4%, respectively. Macroprudential Liquidity Buffer (PLM) amounting to 6% in Rupiah as of December 31, 2022 and 2021.

As of December 31, 2022 and 2021, based on the Bank Indonesia regulations, for sharia principle, the Bank is required to maintain statutory reserve in Rupiah amounting 7.5% and 3.5%, respectively.

The Bank has complied with Bank Indonesia regulations concerning the minimum reserve requirements as of December 31, 2022 and 2021.

The remaining period of current amount with Bank Indonesia is categorized as less than 1 (one) month (Note 45).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

5. GIRO PADA BANK LAIN

a. Berdasarkan bank

	2022	2021
Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	146.326	81.264
PT Bank Central Asia Tbk	37.629	65.787
PT Bank CIMB Niaga Tbk	4.440	-
PT Bank Mandiri Taspen	1.691	-
PT Bank Negara Indonesia (Persero) Tbk	371	112
PT Bank Mandiri (Persero) Tbk	-	1.659
	<u>190.457</u>	<u>148.822</u>
Mata uang asing		
PT Bank Negara Indonesia (Persero) Tbk	70.647	36.323
PT Bank Central Asia Tbk	26.777	13.341
DBS Singapore Ltd	6.241	1.215
PT Bank Mandiri Taspen	5.748	-
PT Bank Rakyat Indonesia (Persero) Tbk	2.365	5.129
PT Bank ICBC Indonesia	894	503
PT Bank Mandiri (Persero) Tbk	-	6.348
	<u>112.672</u>	<u>62.859</u>
Jumlah	<u>303.129</u>	<u>211.681</u>
Cadangan kerugian penurunan nilai	<u>(441)</u>	<u>(238)</u>
Neto	<u>302.688</u>	<u>211.443</u>

Pada tanggal 31 Desember 2022 dan 2021, tidak ada giro pada bank lain yang didasarkan pada prinsip perbankan syariah.

b. Berdasarkan mata uang

	2022		2021	
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
Rupiah		190.456		148.822
Mata uang asing				
Dolar Amerika Serikat	5.665.585	96.313	4.002.601	57.046
Dolar Singapura	538.334	6.241	114.991	1.214
Dolar Australia	493.256	5.208	99.552	1.030
Euro	141.924	2.353	59.367	957
Poundsterling Inggris Raya	52.645	989	72.028	1.387
Yuan China Renminbi	399.403	894	224.993	503
Dolar Hong Kong	208.023	415	208.273	381
Yen Jepang	2.205.651	260	2.753.527	341
Jumlah mata uang asing		<u>112.673</u>		<u>62.859</u>
		<u>303.129</u>		<u>211.681</u>
Cadangan kerugian penurunan nilai		<u>(441)</u>		<u>(238)</u>
Neto		<u>302.688</u>		<u>211.443</u>

c. Tingkat suku bunga per tahun

	2022	2021
Rupiah	0.16%	0.03%
Mata uang asing	0.29%	0.02%

5. CURRENT ACCOUNTS WITH OTHER BANKS

a. By bank

Rupiah	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Central Asia Tbk	
PT Bank CIMB Niaga Tbk	
PT Bank Mandiri Taspen	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Mandiri (Persero) Tbk	
Foreign currencies	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Central Asia Tbk	
DBS Singapore Ltd	
PT Bank Mandiri Taspen	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank ICBC Indonesia	
PT Bank Mandiri (Persero) Tbk	
Total	
Allowance for impairment losses	
Net	

As of December 31, 2022 and 2021, there was no current accounts with other banks based on sharia banking principles.

b. By currency

Rupiah	
Foreign currencies	
United States Dollar	
Singapore Dollar	
Australian Dollar	
Euro	
Great Britain Poundsterling	
Chinese Yuan Renminbi	
Hong Kong Dollar	
Japanese Yen	
Total foreign currencies	
Allowance for impairment losses	
Net	

c. Interest rates per annum

Rupiah	
Foreign Currencies	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

5. GIRO PADA BANK LAIN (lanjutan)

d. Berdasarkan hubungan

Pada tanggal 31 Desember 2022 dan 2021, tidak ada giro pada bank lain pada pihak berelasi.

e. Berdasarkan kolektibilitas

Giro pada bank lain pada tanggal 31 Desember 2022 dan 2021, digolongkan sebagai lancar. Tidak terdapat saldo giro pada bank lain yang diblokir atau digunakan sebagai agunan.

f. Nilai tercatat bruto

2022				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah	190.456	-	-	190.456
Mata uang asing	112.673	-	-	112.673
Jumlah	303.129	-	-	303.129
Cadangan kerugian penurunan nilai	(441)	-	-	(441)
Neto	302.688	-	-	302.688

Rupiah
Foreign currencies
Total
Allowance for impairment losses
Net

2021				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah	148.822	-	-	148.822
Mata uang asing	62.859	-	-	62.859
Jumlah	211.681	-	-	211.681
Penyisihan kerugian penurunan nilai	(238)	-	-	(238)
Neto	211.443	-	-	211.443

Rupiah
Foreign currencies
Total
Allowance for impairment losses
Net

g. Cadangan kerugian penurunan nilai

	2022	2021
Saldo awal tahun	238	53
Penyisihan tahun berjalan	203	185
Saldo akhir tahun	441	238

Balance at beginning of year
Provision during the year
Balance at end of year

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 43e).

5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

d. By relationship

As of December 31, 2022 and 2021, no current accounts in related parties.

e. By collectability

Current accounts with other banks as of December 31, 2022 and 2021 were classified as current. None were blocked or under liens as collateral.

f. Gross carrying amount

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 43e).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN

a. Berdasarkan jenis dan mata uang

	2022	2021
Rupiah		
Deposito berjangka:		
PT Bank ICBC Indonesia	-	400.000
Lain-lain (Bank Perkreditan Rakyat)	7.000	10.000
	<u>7.000</u>	<u>410.000</u>
Pasar Uang Antar Bank:		
PT Bank Pembangunan Daerah Jawa Tengah	600.000	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	400.000	-
PT Bank Pan Indonesia Tbk	400.000	-
PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat	300.000	200.000
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	240.000	145.000
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	200.000	100.000
PT Bank Syariah Indonesia Tbk	200.000	-
PT Bank Pembangunan Daerah Papua	175.000	160.000
PT Bank Pembangunan Daerah Kalimantan Tengah	150.000	-
PT Bank Pembangunan Daerah Sulawesi Tenggara	140.000	-
PT Bank Pembangunan Daerah Maluku dan Maluku Utara	140.000	-
PT Bank Pembangunan Daerah Lampung	125.000	22.000
PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo	120.000	-
PT Bank Pembangunan Daerah Sulawesi Tengah	115.000	-
PT Bank National Nobu Tbk	110.000	-
PT Bank Sahabat Sampoerna	100.000	-
PT Bank Pembangunan Daerah Sumatera Utara	100.000	-
PT Bank Mestika Dharma Tbk	100.000	-
PT Bank Pembangunan Daerah Daerah Istimewa Yogyakarta	100.000	-
PT Bank Pembangunan Daerah Nusa Tenggara Timur	100.000	-
PT Bank Pembangunan Daerah Kalimantan Selatan	75.000	-
PT Bank Pembangunan Daerah Kalimantan Barat	75.000	-
PT Bank Ina Perdana Tbk	50.000	-
PT Bank Pembangunan Daerah Bali	50.000	-
PT Bank Pan Indonesia Tbk	-	480.000
PT Bank Resona Perdana	-	140.000
PT Bank Pembangunan Daerah Riau Kepri	-	135.000
PT Bank of Tokyo - Mitsubishi UFJ Ltd	-	100.000
	<u>4.165.000</u>	<u>1.482.000</u>
Fasilitas Simpanan Bank Indonesia (FASBI)	745.000	5.027.000
Term Deposit	2.000.000	3.000.000
Dikurangi: Diskonto yang belum diamortisasi	(671)	(1.305)
	<u>2.744.329</u>	<u>8.025.695</u>
Jumlah	6.916.329	9.917.695
Cadangan kerugian penurunan nilai	(3.154)	(1.763)
Neto	<u>6.913.175</u>	<u>9.915.932</u>

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a. By type and currency

Rupiah	
Time deposits:	
PT Bank ICBC Indonesia	
Lain-lain (Bank Perkreditan Rakyat)	
Interbank call money:	
PT Bank Pembangunan Daerah Jawa Tengah	
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	
PT Bank Pan Indonesia Tbk	
PT Bank Pembangunan Daerah Sulawesi Selatan dan Sulawesi Barat	
PT Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung	
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	
PT Bank Syariah Indonesia Tbk	
PT Bank Pembangunan Daerah Papua	
PT Bank Pembangunan Daerah Kalimantan Tengah	
PT Bank Pembangunan Daerah Sulawesi Tenggara	
PT Bank Pembangunan Daerah Maluku dan Maluku Utara	
PT Bank Pembangunan Daerah Lampung	
PT Bank Pembangunan Daerah Sulawesi Utara Gorontalo	
PT Bank Pembangunan Daerah Sulawesi Tengah	
PT Bank National Nobu Tbk	
PT Bank Sahabat Sampoerna	
PT Bank Pembangunan Daerah Sumatera Utara	
PT Bank Mestika Dharma Tbk	
PT Bank Pembangunan Daerah Daerah Istimewa Yogyakarta	
PT Bank Pembangunan Daerah Nusa Tenggara Timur	
PT Bank Pembangunan Daerah Kalimantan Selatan	
PT Bank Pembangunan Daerah Kalimantan Barat	
PT Bank Ina Perdana Tbk	
PT Bank Pembangunan Daerah Bali	
PT Bank Pan Indonesia Tbk	
PT Bank Resona Perdana	
PT Bank Pembangunan Daerah Riau Kepri	
PT Bank of Tokyo - Mitsubishi UFJ Ltd	
Bank Indonesia Deposit Facility (FASBI)	
Term Deposit	
Less: Unamortized interest	
Total	
Allowance for impairment losses	
Net	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)

a. Berdasarkan jenis dan mata uang (lanjutan)

Pada tanggal 31 Desember 2022 dan 2021, dalam penempatan pada Bank Indonesia dan bank lain termasuk penempatan yang didasarkan pada prinsip perbankan syariah masing-masing sebesar Rp145.228 dan Rp1.130.000.

b. Berdasarkan jangka waktu

	2022
Kurang dari 1 bulan	6.306.520
1 - 3 bulan	599.673
3 - 6 bulan	6.982
6 - 12 bulan	-
	6.913.175

c. Berdasarkan kolektibilitas

Semua penempatan Bank pada Bank Indonesia dan bank lain pada tanggal 31 Desember 2022 dan 2021 digolongkan lancar.

d. Berdasarkan hubungan

Pada tanggal 31 Desember 2022 dan 2021 tidak terdapat penempatan pada pihak berelasi.

e. Tingkat suku bunga per tahun

	2022
Rupiah	
Interbank call money	3,55%
Term deposit	3,25%
Deposit Facility	3,08%
Deposito berjangka	3,49%
Mata uang asing	
Interbank call money	1,47%

f. Nilai tercatat bruto

	2022			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total
Rupiah:				
Penempatan pada Bank Indonesia	2.744.329	-	-	2.744.329
Pasar uang antar Bank	4.165.000	-	-	4.165.000
Deposito berjangka	7.000	-	-	7.000
Jumlah	6.916.329	-	-	6.916.329
Cadangan kerugian penurunan nilai	(3.154)	-	-	(3.154)
Neto	6.913.175	-	-	6.913.175

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a. By type and currency (continued)

As of December 31, 2022 and 2021, placements with Bank Indonesia and other banks include placements based on sharia banking principles amounting to Rp145,228 and Rp1,130,000 respectively.

b. By maturity

	2021	
Kurang dari 1 bulan	9.312.590	Less than 1 month
1 - 3 months	290.723	1 - 3 months
3 - 6 months	252.645	3 - 6 months
6 - 12 months	59.974	6 - 12 months
	9.915.932	

c. By collectability

All placements with Bank Indonesia and other banks as of December 31, 2022 and 2021 were classified as current.

d. By relationship

As of December 31, 2022 and 2021, the Bank had no funds placed with related parties.

e. Interest rates per annum

	2021	
Rupiah		Rupiah
Interbank call money	3,20%	Interbank call money
Term deposit	2,84%	Term deposit
Deposit Facility	2,75%	Deposit Facility
Deposito berjangka	5,23%	Deposito berjangka
Foreign Currencies		Foreign Currencies
Interbank call money	0,03%	Interbank call money

f. Gross carrying amount

	2022			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total
Rupiah:				
Placements with Bank Indonesia	2.744.329	-	-	2.744.329
Interbank call money	4.165.000	-	-	4.165.000
Time deposits	7.000	-	-	7.000
Total	6.916.329	-	-	6.916.329
Allowance for impairment losses	(3.154)	-	-	(3.154)
Net	6.913.175	-	-	6.913.175

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PENEMPATAN PADA BANK INDONESIA DAN BANK LAIN (lanjutan)

f. Nilai tercatat bruto (lanjutan)

	2021			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Total/ Total
Rupiah:				
Penempatan pada Bank Indonesia	8.025.695	-	-	8.025.695
Pasar uang antar Bank	1.482.000	-	-	1.482.000
Deposito berjangka	410.000	-	-	410.000
Jumlah	9.917.695	-	-	9.917.695
Penyisihan kerugian penurunan nilai	(1.763)	-	-	(1.763)
Neto	9.915.932	-	-	9.915.932

Rupiah:
Placements with Bank Indonesia
Interbank call money
Time deposits
Total
Allowance for impairment losses
Net

g. Cadangan kerugian penurunan nilai

	2022
Saldo awal tahun	1.763
Penyisihan tahun berjalan	1.391
Saldo akhir tahun	3.154

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya penempatan pada Bank Indonesia dan bank lain adalah memadai.

Informasi mengenai klasifikasi aset keuangan dan mengalami penurunan nilai dan tidak mengalami penurunan nilai berikut dengan informasi *staging* cadangan kerugian penurunan nilai penempatan pada bank lain diungkapkan pada (Catatan 43e).

h. Penempatan pada bank lain yang digunakan sebagai jaminan

Tidak terdapat penempatan pada bank lain yang digunakan sebagai jaminan pada tanggal-tanggal 31 Desember 2022 dan 2021.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

f. Gross carrying amount (continued)

g. Allowance for impairment losses

	2021
Saldo awal tahun	795
Provision during the year	968
Balance at end of year	1.763

Management believes that the allowance for impairment losses on placements with Bank Indonesia and other banks is adequate.

Information with respect to classification of impaired and not impaired financial assets also information about the staging of placement with other bank are disclosed in (Note 43e).

h. Placements with other banks pledged as collateral

There were no placements with other banks pledged as collateral as of December 31, 2022 and 2021.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. TAGIHAN SPOT DAN DERIVATIF

Tagihan spot dan derivatif per 31 Desember 2022 adalah sebagai berikut:

Instrumen	Jenis valuta	Jumlah nosional mata uang asing/ <i>Notional amount foreign currencies</i> (Dalam angka penuh/ <i>in full amount</i>)	Nilai wajar/ <i>Fair values</i>		<i>Instruments</i>
			Tagihan derivatif/ <i>Derivative receivable</i>	Liabilitas derivatif/ <i>Derivative payable</i>	
			dalam Rupiah/ <i>in Rupiah</i>		
Terkait nilai tukar					<i>Exchange rate related</i>
Kontrak <i>swap</i> - jual	USD	10.000.000	361	-	<i>Swap contract - sell</i>
			361	-	

7. SPOT AND DERIVATIF RECEIVABLES

Spot and derivative receivables as of December 31, 2022 are as follows:

8. SURAT-SURAT BERHARGA

a. Berdasarkan jenis dan mata uang

	2022	
	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value
Rupiah:		
Biaya perolehan dimortisasi		
Surat Utang Negara	11.798.009	12.025.332
Obligasi	1.841.700	1.851.074
Sukuk Bank Indonesia	400.000	400.000
Sertifikat Investasi Mudharabah Antar Bank	325.000	325.000
Negotiable Certificate of Deposit (NCD)	50.000	47.238
Reksadana	90.000	90.000
Surat kredit berdokumen dalam negeri	2.056	2.056
Wesel	-	-
	<u>14.506.765</u>	<u>14.740.700</u>
Mata uang asing:		
Wesel	362	362
	<u>362</u>	<u>362</u>
Penyisihan kerugian penurunan nilai	-	(400)
Jumlah biaya perolehan diamortisasi	<u>14.507.127</u>	<u>14.740.662</u>
Nilai wajar melalui penghasilan komprehensif lain		
Surat Utang Negara	8.574.841	8.476.609
	<u>8.574.841</u>	<u>8.476.609</u>
Jumlah nilai wajar melalui penghasilan komprehensif lain		
	<u>8.574.841</u>	<u>8.476.609</u>
Jumlah biaya perolehan diamortisasi dan nilai wajar melalui penghasilan komprehensif lain	<u>23.081.968</u>	<u>23.217.271</u>
Penyisihan kerugian penurunan nilai	-	-
Jumlah surat berharga	<u>23.081.968</u>	<u>23.217.271</u>

8. MARKETABLE SECURITIES

a. By type and currency

	2021	
	Nilai nominal/ Nominal value	Nilai tercatat/ Carrying value
Rupiah:		
Amortised cost		
Government bonds	15.126.108	15.530.273
Bonds	2.058.900	2.071.699
Sukuk of Bank Indonesia	541.392	541.392
Interbank Mudharabah Investment Certificate	139.000	139.000
Negotiable Certificate of Deposit (NCD)	210.000	206.095
Reksadana	2.339.000	2.339.000
Domestic L/C	-	-
Bill	6.747	6.747
	<u>20.421.147</u>	<u>20.834.206</u>
Foreign currencies:		
Bill	-	-
	<u>-</u>	<u>-</u>
Allowance for impairment losses	-	-
Total amortized cost	<u>20.421.147</u>	<u>20.834.206</u>
Fair value through other comprehensive income		
Government bonds	11.242.058	11.554.760
	<u>11.242.058</u>	<u>11.554.760</u>
Total fair value through other comprehensive income		
	<u>11.242.058</u>	<u>11.554.760</u>
Total amortized cost and fair value through other comprehensive income	<u>31.663.205</u>	<u>32.388.966</u>
Allowance for impairment losses	-	(5.943)
Total marketable securities	<u>31.663.205</u>	<u>32.383.023</u>

b. Berdasarkan hubungan

Pada tanggal 31 Desember 2022 dan 2021, tidak terdapat surat berharga pada pihak berelasi.

b. By relationship

As of December 31, 2022 and 2021, there were no marketable securities transactions with related parties.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

8. SURAT-SURAT BERHARGA (lanjutan)

c. Berdasarkan penerbit

	2022	2021
Pemerintah Republik Indonesia	20.501.941	27.085.033
Bank Indonesia	400.000	541.392
Perbankan :		
PT Bank Aceh Syariah	225.000	-
PT Bank Rakyat Indonesia (Persero) Tbk	146.035	157.788
PT Bank Negara Indonesia (Persero) Tbk	127.610	30.270
PT Bank Sinarmas Tbk	100.000	-
PT Bank Maybank Indonesia Tbk	33.032	48.993
PT Bank Tabungan Negara (Persero) Tbk	32.003	30.218
PT Bank Mandiri (Persero) Tbk	27.343	27.430
PT Bank Mandiri Taspen	24.011	54.148
PT Bank Pembangunan Daerah		
Jawa Barat dan Banten Tbk	12.219	40.000
PT Bank Pan Indonesia Tbk	11.538	10.057
PT Bank of Tokyo - Mitsubishi UFJ Ltd	-	99.281
PT Bank Pembangunan Daerah		
Kalimantan Timur dan Kalimantan Utara	-	99.000
PT Bank CIMB Niaga Tbk	-	49.307
PT Bank Pembangunan Daerah		
Jawa Barat dan Banten Tbk	-	41.950
PT Bank DKI	-	39.226
PT Bank Danamon Indonesia Tbk	-	30.209
PT Bank Pembangunan Daerah Bali	-	28.765
	738.790	786.642
Korporasi		
PT Pegadaian (Persero)	480.000	255.018
PT Pupuk Indonesia (Persero)	192.250	337.948
PT Astra Sedaya Finance	152.966	50.000
PT Permodalan Nasional Madani (Persero)	140.000	689.000
PT Semen Indonesia (Persero) Tbk	135.454	193.994
PT Federal International Finance	99.615	-
PT Kereta Api Indonesia (Persero)	91.519	-
PT Perusahaan Listrik Negara (Persero)	69.861	110.209
PT Jasa Marga (Persero) Tbk	63.243	55.000
PT XL Axiata Tbk	60.000	-
PT Indonesia Infrastructure Finance	30.148	30.323
PT Sarana Multigriya Finansial (Persero)	26.000	246.253
PT Adira Dinamika Multi Finance Tbk	24.803	-
PT Telekomunikasi Indonesia Tbk	5.454	37.519
PT Mandiri Tunas Finance	5.265	31.247
Wesel	362	6.747
PT Trimegah Securities	-	900.000
PT Avrist Asset Management	-	300.000
PT Bahana Sekuritas	-	300.000
PT Sarana Multi Infrastruktur (Persero)	-	190.131
PT Gemilang Indonesia Manajemen Investasi	-	100.000
PT Utama Karya	-	50.873
PT Setiabudi Investment Management	-	50.000
PT Indofood Sukses Makmur Tbk	-	41.637
	1.576.940	3.975.899
Penyisihan kerugian penurunan nilai	(400)	(5.943)
Jumlah surat-surat berharga	23.217.271	32.383.023

8. MARKETABLE SECURITIES (continued)

c. By issuers

Government of the Republic of Indonesia	
Bank Indonesia	
Banking:	
PT Bank Aceh Syariah	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Sinarmas Tbk	
PT Bank Maybank Indonesia Tbk	
PT Bank Tabungan Negara (Persero) Tbk	
PT Bank Mandiri (Persero) Tbk	
PT Bank Mandiri Taspen	
PT Bank Pembangunan Daerah	
Jawa Barat dan Banten Tbk	
PT Bank Pan Indonesia Tbk	
PT Bank of Tokyo - Mitsubishi UFJ Ltd	
PT Bank Pembangunan Daerah	
Kalimantan Timur dan Kalimantan Utara	
PT Bank CIMB Niaga Tbk	
PT Bank Pembangunan Daerah	
Jawa Barat dan Banten Tbk	
PT Bank DKI	
PT Bank Danamon Indonesia Tbk	
PT Bank Pembangunan Daerah Bali	
Corporate:	
PT Pegadaian (Persero)	
PT Pupuk Indonesia (Persero)	
PT Astra Sedaya Finance	
PT Permodalan Nasional Madani (Persero)	
PT Semen Indonesia (Persero) Tbk	
PT Federal International Finance	
PT Kereta Api Indonesia (Persero)	
PT Perusahaan Listrik Negara (Persero)	
PT Jasa Marga (Persero) Tbk	
PT XL Axiata Tbk	
PT Indonesia Infrastructure Finance	
PT Sarana Multigriya Finansial (Persero)	
PT Adira Dinamika Multi Finance Tbk	
PT Telekomunikasi Indonesia Tbk	
PT Mandiri Tunas Finance	
Bill	
PT Trimegah Securities	
PT Avrist Asset Management	
PT Bahana Sekuritas	
PT Sarana Multi Infrastruktur (Persero)	
PT Gemilang Indonesia Manajemen Investasi	
PT Utama Karya	
PT Setiabudi Investment Management	
PT Indofood Sukses Makmur Tbk	
Allowance for impairment losses	
Total marketable securities	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

8. SURAT-SURAT BERHARGA (lanjutan)

d. Berdasarkan peringkat

Peringkat surat berharga pada tanggal 31 Desember 2022 dan 2021 adalah sebagai berikut:

	2022		
	Pemeringkat/ Agencies	Peringkat/ Rating	Nilai tercatat/ Carrying value
Rupiah:			
Surat Utang Negara	-	-	20.501.941
Bank Indonesia	-	-	400.000
PT Pegadaian (Persero)	Pefindo	idAAA	480.000
PT Bank Aceh Syariah	Pefindo	A	225.000
PT Pupuk Indonesia (Persero)	Fitch Indonesia	AAA(idn)	192.250
PT Astra Sedaya Finance	Pefindo	idAAA	152.966
PT Bank Rakyat Indonesia (Persero) Tbk	Pefindo	idAAA	146.035
PT Permodalan Nasional Madani (Persero)	-	-	140.000
PT Semen Indonesia (Persero)	Pefindo	idAA+	135.454
PT Bank Negara Indonesia (Persero) Tbk	Pefindo	idAAA	127.610
PT Bank Sinarmas Tbk	Fitch Indonesia	A-	100.000
PT Federal International Finance	Fitch Indonesia	AAA(idn)	99.615
PT Kereta Api Indonesia (Persero)	-	-	91.519
PT Perusahaan Listrik Negara (Persero)	Pefindo	idAAA	69.861
PT Jasa Marga (Persero) Tbk	Pefindo	idAA-	63.243
PT XL Axiata	Fitch Indonesia	AAA(idn)	60.000
PT Maybank Indonesia Tbk	Pefindo	idAAA	33.032
PT Bank Tabungan Negara (Persero) Tbk	Pefindo	idAA+	32.003
PT Indonesia Infrastructure Finance	Pefindo	idAAA	30.148
PT Bank Mandiri (Persero) Tbk	Pefindo	idAAA	27.343
PT Sarana Multigriya Finansial (Persero)	Pefindo	idAAA	26.000
PT Adira Dinamika Multi Finance Tbk	Pefindo	idAAA	24.803
PT Bank Mandiri Taspen	Fitch Indonesia	AA(idn)	24.011
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	Pefindo	idAA-	12.219
PT Bank Panin Tbk	Pefindo	idAA	11.538
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	5.454
PT Mandiri Tunas Finance	Pefindo	idAA+	5.265
PT Bahana Sekuritas	-	-	-
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	Pefindo	idA	-
PT Hutama Karya	Fitch Indonesia	AA+(idn)	-
PT Bank CIMB Niaga Tbk	Pefindo	idAAA	-
PT Bank Pembangunan Daerah Bali	Fitch Indonesia	A(idn)	-
Wesel	-	-	-
Jumlah Rupiah			23.217.309
Mata uang asing:			
Wesel ekspor			362
			23.217.671
Penyisihan kerugian penurunan nilai			(400)
Jumlah surat-surat berharga			23.217.271

8. MARKETABLE SECURITIES (continued)

d. By rating

The ratings of marketable securities as of December 31, 2022 and 2021 are as follows:

Rupiah:	
Government Bonds	
Certificates of Bank Indonesia	
PT Astra Sedaya Finance	
PT Bank Aceh Syariah	
PT Pupuk Indonesia (Persero)	
PT Astra Sedaya Finance	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Permodalan Nasional Madani (Persero)	
PT Semen Indonesia (Persero)	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Sinarmas Tbk	
PT Federal International Finance	
PT Kereta Api Indonesia (Persero)	
PT Perusahaan Listrik Negara (Persero)	
PT Jasa Marga (Persero) Tbk	
PT XL Axiata	
PT Maybank Indonesia Tbk	
PT Bank Tabungan Negara (Persero) Tbk	
PT Indonesia Infrastructure Finance	
PT Bank Mandiri (Persero) Tbk	
PT Sarana Multigriya Finansial (Persero)	
PT Adira Dinamika Multi Finance Tbk	
PT Bank Mandiri Taspen	
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	
PT Bank Panin Tbk	
PT Telekomunikasi Indonesia Tbk	
PT Mandiri Tunas Finance	
PT Bahana Sekuritas	
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	
PT Hutama Karya	
PT Bank CIMB Niaga Tbk	
PT Bank Pembangunan Daerah Bali	
Bill	
Total Rupiah	
Foreign currency:	
Export bill	
Allowance for impairment losses	
Total marketable securities	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**8. SURAT-SURAT BERHARGA (lanjutan)
d. Berdasarkan peringkat (lanjutan)**

		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	idAAA+	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	idAAA+	41.637
PT BJB Syariah	Pefindo	idAA-	40.000
PT Bank DKI	Pefindo	idAA-	39.226
PT Telekomunikasi Indonesia Tbk	Pefindo	idAAA	37.519
PT Mandiri Tunas Finance	Pefindo	idAAA+	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	idAAA+	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			-
Penyisihan kerugian penurunan nilai			32.388.966
Jumlah surat-surat berharga			(5.943) 32.383.023

**8. MARKETABLE SECURITIES (continued)
d. By rating (continued)**

Rupiah:	
Government Bonds	
PT Trimegah Securities	
PT Permodalan Nasional Madani (Persero)	
Certificates of Bank Indonesia	
PT Pupuk Indonesia (Persero)	
PT Avrist Asset Management	
PT Bahana Sekuritas	
PT Pegadaian (Persero)	
PT Sarana Multigriya Finansial (Persero)	
PT Semen Indonesia (Persero)	
PT Sarana Multi Infrastruktur (Persero)	
PT Bank Rakyat Indonesia (Persero) Tbk	
PT Perusahaan Listrik Negara (Persero)	
PT Gemilang Indonesia Manajemen Investasi	
PT Bank of Tokyo - Mitsubishi UFJ Ltd	
PT Bank Pembangunan Daerah Kalimantan Timur dan Kalimantan Utara	
PT Jasa Marga (Persero) Tbk	
PT Bank Mandiri Taspen	
PT Hutama Karya	
PT Astra Sedaya Finance	
PT Setiabudi Investment Management	
PT Bank CIMB Niaga Tbk	
PT Maybank Indonesia Tbk	
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	
PT Indofood Sukses Makmur Tbk	
PT BJB Syariah	
PT Bank DKI	
PT Telekomunikasi Indonesia Tbk	
PT Mandiri Tunas Finance	
PT Indonesia Infrastructure Finance	
PT Bank Negara Indonesia (Persero) Tbk	
PT Bank Tabungan Negara (Persero) Tbk	
PT Bank Danamon Indonesia Tbk	
PT Bank Pembangunan Daerah Bali	
PT Bank Mandiri (Persero) Tbk	
PT Bank Pan Indonesia Tbk	
Bill	
Total Rupiah	
Foreign currency:	
Export bill	
Allowance for impairment losses	
Total marketable securities	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

8. SURAT-SURAT BERHARGA (lanjutan)

e. Jangka waktu dan tingkat bunga

	2022
Kurang dari 1 tahun	986.769
1 - 5 tahun	22.230.902
	23.217.671
Dikurangi: Penyisihan kerugian penurunan nilai	(400)
Jumlah surat-surat berharga	23.217.271
Tingkat bunga per tahun:	

	2022
Rupiah	
Surat Utang Negara	6,01%
Obligasi	7,11%
Sukuk Bank Indonesia	3,85%
Sertifikat Investasi Mudharabah Antarbank	3,56%
Negotiable Certificate of Deposit (NCD)	5,15%
Reksadana	4,94%

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:

	2022
Saldo awal	258.577
Penambahan laba (rugi) yang belum direalisasi selama periode berjalan	(400.611)
Jumlah sebelum pajak tangguhan	(142.034)
Pajak tangguhan	26.986
Saldo akhir bersih	(115.048)

g. Kolektibilitas

Pada tanggal 31 Desember 2022 dan 2021, kolektibilitas surat-surat berharga adalah dalam kategori lancar.

h. Nilai tercatat bruto

	2022			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah:				
Surat Utang Negara	20.501.941	-	-	20.501.941
Obligasi	1.851.074	-	-	1.851.074
Sukuk Bank Indonesia	400.000	-	-	400.000
Sertifikat Investasi Mudharabah Antarbank (SIMA)	325.000	-	-	325.000
Reksadana	90.000	-	-	90.000
Negotiable Certificate of Deposit	47.237	-	-	47.237
Surat Berharga Jangka Menengah	2.056	-	-	2.056
Mata uang asing				
Wesel	362	-	-	362
Jumlah surat berharga	23.217.671	-	-	23.217.671
Penyisihan kerugian penurunan nilai	(400)	-	-	(400)
Neto	23.217.271	-	-	23.217.271

8. MARKETABLE SECURITIES (continued)

e. By maturity and interest rates

	2021	
Kurang dari 1 tahun	20.095.803	Less than 1 year
1 - 5 years	12.293.164	1 - 5 years
	32.388.966	
Dikurangi: Allowance for impairment losses	(5.943)	Less: Allowance for impairment losses
Total marketable securities	32.383.023	Total marketable securities
Tingkat bunga per annum:		Interest rates per annum:

	2021	
Rupiah		Rupiah
Surat Utang Negara	6,00%	Government Bonds
Obligasi	7,72%	Bond
Sukuk Bank Indonesia	3,50%	Bank Indonesia Sukuk
Sertifikat Investasi Mudharabah Antarbank	2,92%	Interbank Mudharabah investment Certificate
Negotiable Certificate of Deposit (NCD)	4,83%	Negotiable Certificate of Deposit (NCD)
Reksadana	4,18%	Mutual funds

f. The movement of unrealized gains (losses)

The movement of unrealized gains (losses) from the change in fair value of marketable securities measured at fair value through other comprehensive income are as follows:

	2021	
Saldo awal	155.251	Beginning balance
Penambahan laba (rugi) yang belum direalisasi selama periode berjalan	103.326	Addition of unrealized gains (loss) during the period
Total before deferred tax	258.577	Total before deferred tax
Deferred tax	(45.400)	Deferred tax
Ending balance net	213.177	Ending balance net

g. Collectibility

As of December 31, 2022 and 2021, the collectibility of securities are classified as current.

h. Gross carrying amount

Rupiah:	
Government bonds	
Bonds	
Bank Indonesia Sukuk	
Interbank Mudharabah investment Certificate	
Mutual funds	
Negotiable Certificate of Deposit	
Medium Term Notes	
Foreign currency	
Bill	
Total marketable securities	
Allowance for impairment losses	
Net	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

8. SURAT-SURAT BERHARGA (lanjutan)

h. Nilai tercatat bruto (lanjutan)

	2021			
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total
Rupiah:				
Surat Utang Negara	27.085.033	-	-	27.085.033
Obligasi	2.071.699	-	-	2.071.699
Sukuk Bank Indonesia	541.392	-	-	541.392
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	139.000	-	-	139.000
Negotiable Certificate of Deposit	206.095	-	-	206.095
Surat Berharga Jangka Menengah	-	-	-	-
Reksadana	2.339.000	-	-	2.339.000
Wesel	6.747	-	-	6.747
Jumlah surat berharga	32.388.966	-	-	32.388.966
Penyisihan kerugian penurunan nilai	(5.943)	-	-	(5.943)
Neto	32.383.023	-	-	32.383.023

Rupiah:
Government bonds
Bonds
Bank Indonesia Sukuk
Interbank Mudharabah
Investment Certificate
Negotiable Certificate of Deposit
Medium Term Notes
Mutual funds
Bill
Total marketable securities
Allowance for impairment losses
Net

i. Cadangan kerugian penurunan nilai atas surat berharga

	2022
Saldo awal	5.944
Pemulihan tahun berjalan	(5.544)
Saldo akhir	400

i. Allowance for impairment losses for marketable securities

	2021
Saldo awal	8.118
Pemulihan tahun berjalan	(2.174)
Saldo akhir	5.944

Beginning balance
Recovery during the year
Ending balance

Cadangan kerugian penurunan nilai atas surat berharga adalah sebagai berikut:

Jumlah minimum penyisihan kerugian penurunan nilai surat-surat berharga yang wajib dibentuk sesuai ketentuan Bank Indonesia pada tanggal 31 Desember 2022 dan 2021 masing-masing adalah sebesar Rp23.157 dan Rp47.625.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutup kemungkinan kerugian yang timbul akibat adanya surat berharga adalah memadai.

Allowance for impairment losses for marketable securities are as follows:

Minimum allowance for impairment losses for marketable securities required by Bank Indonesia as of December 31, 2022 and 2021 amounted to Rp23,157 and Rp47,625, respectively.

Management believes that the allowance for impairment losses on marketable securities is adequate.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJI
DIBELI KEMBALI**

Pada tanggal 31 Desember 2022, Obligasi Pemerintah dengan jumlah nominal Rp4.050.000 telah dijual dengan janji untuk dibeli kembali hingga paling lambat 28 Februari 2023 (Catatan 20).

**9. MARKETABLE SECURITIES FOR SALE WITH
REVERSE REPURCHASE AGREEMENT**

As of December 31, 2022, Government Bonds with total nominal amount of Rp 4,050,000 were sold under repurchase agreements until February 28, 2023 (Note 20).

2022

Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt						
Biaya perolehan diamortisasi/Amortised cost						
FR0070	50.000	25 Februari/ February 25, 2021	15 Maret/ March 15, 2024	1.724	-	51.724
FR0070	50.000	26 Februari/ February 26, 2021	15 Maret/ March 15, 2024	1.726	-	51.726
FR0070	50.000	12 Maret/ March 12, 2021	15 September/ September 15, 2024	1.478	-	51.478
FR0070	50.000	15 Maret/ March 15, 2021	15 Maret/ March 15, 2024	1.586	-	51.586
FR0081	30.000	23 Maret/ March 23, 2021	15 Juni/ June 15, 2025	368	-	30.368
FR0081	50.000	15 Juni/ June 15, 2021	15 Juni/ June 15, 2025	1.529	-	51.529
FR0081	50.000	29 Juni/ June 29, 2021	15 Juni/ June 15, 2025	1.625	-	51.625
FR0059	100.000	30 Juni/ June 30, 2021	15 Mei/ May 15, 2027	4.885	-	104.885
FR0059	100.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	4.577	-	104.577
FR0081	50.000	1 Juli/ July 1, 2021	15 Mei/ May 15, 2027	1.581	-	51.581
FR0081	50.000	5 Juli/ July 5, 2021	15 Juni/ June 15, 2025	1.554	-	51.554
FR0081	50.000	13 Juli/ July 13, 2021	15 Juni/ June 15, 2025	1.610	-	51.610
FR0059	50.000	15 Juli/ July 15, 2021	15 Mei/ May 15, 2027	2.509	-	52.509
FR0059	100.000	19 Juli/ July 19, 2021	15 Mei/ May 15, 2027	5.284	-	105.284
FR0081	20.000	30 Juli/ July 30, 2021	15 Juni/ June 15, 2025	702	-	20.702
FR0081	200.000	2 Agustus/ August 2, 2021	15 Juni/ June 15, 2025	7.165	-	207.165
FR0081	50.000	3 Agustus/ August 3, 2021	15 Juni/ June 15, 2025	1.793	-	51.793
FR0059	50.000	9 Agustus/ August 9, 2021	15 Mei/ May 15, 2027	2.984	-	52.984
FR0081	20.000	9 Agustus/ August 9, 2021	15 Juni/ June 15, 2025	714	-	20.714
Dipindahkan/Brought forward				45.394	-	1.215.394

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJİ
DİBELİ KEMBALİ (lanjutan)**

**9. MARKETABLE SECURITIES FOR SALE WITH
REVERSE REPURCHASE AGREEMENT
(continued)**

2022

Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Biaya perolehan diamortisasi/Amortised cost (lanjutan)/(continued)						
Pindahan/Carry forward				45.394	-	1.215.394
FR0059	60.000	10 Agustus/ August 10, 2021	15 Mei/ May 15, 2027	3.597	-	63.597
FR0081	80.000	10 Agustus/ August 10, 2021	15 Juni/ June 15, 2025	2.857	-	82.857
FR0059	30.000	13 Agustus/ August 13, 2021	15 Mei/ May 15, 2027	1.640	-	31.640
FR0059	20.000	18 Agustus/ August 18, 2021	15 Mei/ May 15, 2027	1.088	-	21.088
FR0059	130.000	23 Agustus/ August 23, 2021	15 Mei/ May 15, 2027	7.189	-	137.189
FR0059	50.000	17 November/ November 17, 2021	15 Mei/ May 15, 2027	2.983	-	52.983
FR0059	60.000	19 November/ November 19, 2021	15 Mei/ May 15, 2027	3.659	-	63.659
FR0081	50.000	12 Januari/ January 12, 2022	15 Juni/ June 15, 2025	1.762	-	51.762
FR0081	50.000	21 Januari/ January 21, 2022	15 Juni/ June 15, 2025	1.805	-	51.805
FR0081	40.000	28 April/ April 28, 2022	15 Juni/ June 15, 2025	800	-	40.800
FR0081	50.000	11 Mei/ May 11, 2022	15 Juni/ June 15, 2025	407	-	50.407
FR0081	25.000	25 Mei/ May 25, 2022	15 Juni/ June 15, 2025	287	-	25.287
FR0081	65.000	27 Mei/ May 27, 2022	15 Juni/ June 15, 2025	710	-	65.710
FR0081	90.000	13 Juni/ June 13, 2022	15 Juni/ June 15, 2025	1.649	-	91.649
FR0081	60.000	20 Juni/ June 20, 2022	15 Juni/ June 15, 2025	901	-	60.901
FR0081	20.000	22 Juni/ June 22, 2022	15 Juni/ June 15, 2025	268	-	20.268
FR0081	50.000	29 Juni/ June 29, 2022	15 Juni/ June 15, 2025	1.111	-	51.111
FR0081	10.000	18 Juli/ July 18, 2022	15 Juni/ June 15, 2025	154	-	10.154
FR0081	50.000	19 Juli/ July 19, 2022	15 Juni/ June 15, 2025	601	-	50.601
FR0081	40.000	20 Juli/ July 20, 2022	15 Juni/ June 15, 2025	430	-	40.430
FR0081	50.000	26 Juli/ July 26, 2022	15 Juni/ June 15, 2025	154	-	50.154
Subjumlah/Subtotal				79.447	-	2.329.447

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJİ
DİBELİ KEMBALİ (lanjutan)**

**9. MARKETABLE SECURITIES FOR SALE WITH
REVERSE REPURCHASE AGREEMENT
(continued)**

2022

Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Nilai wajar melalui penghasilan komprehensif lain/Fair value through other comprehensive income						
FR0086	50.000	21 Januari/ January 21, 2021	15 April/ April 15, 2026	448	(1.403)	49.045
FR0086	75.000	4 Februari/ February 4, 2021	15 April/ April 15, 2026	754	(2.187)	73.567
FR0086	75.000	18 Februari/ February 18, 2021	15 April/ April 15, 2026	477	(1.909)	73.568
FR0086	70.000	19 Februari/ February 19, 2021	15 April/ April 15, 2026	168	(1.504)	68.663
FR0086	30.000	22 Februari/ February 22, 2021	15 April/ April 15, 2026	-	(573)	29.427
FR0086	250.000	10 Juni/ June 10, 2021	15 April/ April 15, 2026	282	(5.056)	245.226
FR0086	40.000	16 Juni/ June 16, 2021	15 April/ April 15, 2026	229	(992)	39.236
FR0086	40.000	29 Juni/ June 29, 2021	15 April/ April 15, 2026	244	(1.008)	39.236
FR0086	170.000	30 Juni/ June 30, 2021	15 April/ April 15, 2026	879	(4.126)	166.753
FR0086	10.000	1 Juli/ July 1, 2021	15 April/ April 15, 2026	40	(231)	9.809
FR0086	10.000	2 Juli/ July 2, 2021	15 April/ April 15, 2026	36	(227)	9.809
FR0086	90.000	5 Juli/ July 5, 2021	15 April/ April 15, 2026	313	(2.032)	88.281
FR0086	10.000	6 Juli/ July 6, 2021	15 April/ April 15, 2026	29	(220)	9.809
FR0086	100.000	19 Juli/ July 19, 2021	15 April/ April 15, 2026	653	(2.563)	98.090
FR0086	40.000	21 Juli/ July 21, 2021	15 April/ April 15, 2026	262	(1.026)	39.236
FR0086	20.000	7 Oktober/ October 7, 2021	15 April/ April 15, 2026	195	(577)	19.618
FR0086	25.000	8 Oktober/ October 8, 2021	15 April/ April 15, 2026	244	(721)	24.522
FR0086	40.000	12 Oktober/ October 12, 2021	15 April/ April 15, 2026	376	(1.140)	39.236
FR0086	40.000	13 Oktober/ October 13, 2021	15 April/ April 15, 2026	346	(1.110)	39.236
Dipindahkan/Brought forward				5.973	(28.604)	1.162.369

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

**9. SURAT BERHARGA YANG DIJUAL DENGAN JANJİ
DİBELİ KEMBALİ (lanjutan)**

**9. MARKETABLE SECURITIES FOR SALE WITH
REVERSE REPURCHASE AGREEMENT
(continued)**

2022

Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Premium (diskonto) yang belum diamortisasi/ Unamortized premium (discount)	Laba (rugi) yang belum direalisasi/ Unrealised gain (loss)	Nilai bersih/ Net value
Surat Utang Negara/Government Debt (lanjutan)/(continued)						
Nilai wajar melalui penghasilan komprehensif lain/Fair value through other comprehensive income (lanjutan)/(continued)						
Pindahan/Carry forward				5.973	(28.604)	1.162.369
FR0086	60.000	14 Oktober/ October 14, 2021	15 April/ April 15, 2026	564	(1.710)	58.854
FR0086	20.000	26 Oktober/ October 26, 2021	15 April/ April 15, 2026	246	(628)	19.618
FR0086	80.000	29 Oktober/ October 29, 2021	15 April/ April 15, 2026	1.062	(2.590)	78.472
FR0086	75.000	2 November/ November 2, 2021	15 April/ April 15, 2026	973	(2.406)	73.567
FR0086	70.000	11 November/ November 11, 2021	15 April/ April 15, 2026	961	(2.298)	68.663
FR0086	40.000	12 November/ November 12, 2021	15 April/ April 15, 2026	536	(1.300)	39.236
FR0086	70.000	22 November/ November 22, 2021	15 April/ April 15, 2026	1.017	(2.354)	68.663
FR0086	40.000	23 November/ November 23, 2021	15 April/ April 15, 2026	585	(1.349)	39.236
FR0086	30.000	24 November/ November 24, 2021	15 April/ April 15, 2026	439	(1.012)	29.427
FR0086	70.000	25 November/ November 25, 2021	15 April/ April 15, 2026	1.025	(2.363)	68.663
FR0086	60.000	30 November/ November 30, 2021	15 April/ April 15, 2026	895	(2.042)	58.854
Subjumlah/Subtotal				14.276	(48.657)	1.765.619
Jumlah/Total				93.723	(48.657)	4.095.066

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

**10. TAGIHAN DARI SURAT BERHARGA YANG DIBELI
DENGAN JANJI DIJUAL KEMBALI**

Pada tanggal 31 Desember 2022 dan 2021 Bank memiliki tagihan dari surat berharga yang dibeli dengan janji dijual kembali sejumlah Rp7.822.847 dan Rp3.420.685 dengan rincian sebagai berikut:

**10. MARKETABLE SECURITIES PURCHASED UNDER
RESALE AGREEMENT**

As of December 31, 2022 and 2021 Bank has a number of marketable securities purchased under resale agreement Rp7,822,847 and Rp3,420,685, with details as follows:

2022							
Jenis surat berharga/ Securities	Harga beli/ Purchase price	Tanggal mulai/ Start date	Tanggal jual kembali/ Resale date	Tingkat suku bunga/ Interest rate	Harga jual kembali/ Resale price	Pendapatan bunga yang belum direalisasi/ Unrealized interest income	Nilai bersih/ Net value
Surat Utang Negara							
FR0087	367.130	1 Desember/ December 1, 2022	2 Januari/ January 2, 2023	5,86%	369.043	60	368.983
FR0081	148.341	2 Desember/ December 2, 2022	2 Januari/ January 2, 2023	5,88%	149.092	24	149.068
FR0084	99.477	2 Desember/ December 2, 2022	2 Januari/ January 2, 2023	5,88%	99.981	16	99.964
FR0083	191.662	2 Desember/ December 2, 2022	1 Desember/ December 1, 2023	6,66%	204.569	11.843	192.726
FR0088	42.352	5 Desember/ December 5, 2022	4 Januari/ January 4, 2023	5,90%	42.561	21	42.540
FR0065	115.692	5 Desember/ December 5, 2022	4 Januari/ January 4, 2023	5,90%	116.261	57	116.204
VR0078	285.505	9 Desember/ December 9, 2022	6 Januari/ January 6, 2023	5,79%	286.790	230	286.561
VR0037	139.585	23 Desember/ December 23, 2022	6 Januari/ January 6, 2023	5,95%	139.908	115	139.793
VR0072	46.831	23 Desember/ December 23, 2022	6 Januari/ January 6, 2023	5,95%	46.939	39	46.900
VR0068	381.224	26 Desember/ December 26, 2022	2 Januari/ January 2, 2023	5,80%	381.654	61	381.593
VR0077	140.534	27 Desember/ December 27, 2022	10 Januari/ January 10, 2023	6,00%	140.862	211	140.651
FR0096	28.650	27 Desember/ December 27, 2022	10 Januari/ January 10, 2023	6,00%	28.717	43	28.674
VR0053	116.745	28 Desember/ December 28, 2022	4 Januari/ January 4, 2023	5,80%	116.876	56	116.820
VR0037	931.166	28 Desember/ December 28, 2022	11 Januari/ January 11, 2023	6,00%	933.339	1.552	931.787
VR0046	192.083	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,50%	192.288	117	192.171
VR0050	1.004.411	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,50%	1.005.485	614	1.004.871
VR0062	906.457	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,50%	907.426	554	906.872
VR0075	234.299	29 Desember/ December 29, 2022	6 Januari/ January 6, 2023	5,85%	234.604	190	234.413
VR0045	924.263	29 Desember/ December 29, 2022	12 Januari/ January 12, 2023	5,77%	926.337	1.630	924.708
VR0034	382.616	30 Desember/ December 30, 2022	6 Januari/ January 6, 2023	5,50%	383.025	292	382.733
VR0036	573.923	30 Desember/ December 30, 2022	13 Januari/ January 13, 2023	5,77%	575.211	1.104	574.107
VR0065	370.622	30 Desember/ December 30, 2022	27 Januari/ January 27, 2023	6,03%	372.361	1.614	370.747
VR0044	189.891	30 Desember/ December 30, 2022	29 Januari/ January 29, 2023	6,66%	202.678	12.717	189.961
Jumlah/Total					7.856.007	33.160	7.822.847

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

**10. TAGIHAN DARI SURAT BERHARGA YANG DIBELI
DENGAN JANJI DIJUAL KEMBALI (lanjutan)**

**10. MARKETABLE SECURITIES PURCHASED UNDER
RESALE AGREEMENT (continued)**

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				3.422.395	617	3.420.685

11. TAGIHAN LAINNYA

11. OTHER RECEIVABLES

	2022	2021	
Tagihan transfer dan ATM	194.150	116.119	Transfer receivables and ATM
Lainnya	91.997	113.900	Others
Jumlah	286.147	230.019	Total

Pada tanggal 31 Desember 2022 dan 2021, tidak terdapat tagihan pada pihak berelasi.

As of December 31, 2022 and 2021, there were no other receivables from related parties.

Kolektibilitas tagihan lainnya pada tanggal 31 Desember 2022 dan 2021 adalah lancar.

The collectibility of all other receivables as of December 31, 2022 and 2021 was classified as current.

Manajemen berpendapat bahwa jumlah penyisihan kerugian penurunan nilai untuk menutupi kemungkinan kerugian yang timbul akibat bank garansi tidak tertagih adalah memadai.

Management believes that the allowance for impairment losses on uncollectible bank guarantee is adequate.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH

Seluruh kredit yang diberikan oleh Bank adalah dalam Rupiah.

a. Berdasarkan jenis dan kolektibilitas

12. LOANS AND SHARIA FINANCING

All loans provided by the Bank are in Rupiah.

a. By type and collectibility of loans

2022							
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Modal kerja	10.968.010	9.802.144	457.228	20.906	37.479	650.253	Working capital
Investasi	6.570.658	6.296.351	151.931	3.855	3.343	115.178	Investment
Konsumsi	28.657.989	27.883.864	295.970	26.323	37.043	414.789	Consumption
Jumlah	46.196.657	43.982.359	905.129	51.084	77.865	1.180.220	Total
Dikurangi: Penyisihan kerugian penurunan nilai	(1.318.612)	(395.953)	(78.550)	(18.979)	(28.495)	(796.635)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	44.878.045	43.586.406	826.579	32.105	49.370	383.585	Total loans, net
2021							
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Modal kerja	9.668.644	8.079.285	441.640	21.042	30.559	1.096.118	Working capital
Investasi	5.825.776	5.523.597	61.653	6.491	1.614	232.421	Investment
Konsumsi	27.255.139	26.446.749	280.263	35.331	59.364	433.432	Consumption
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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN
SYARIAH (lanjutan)**

b. Berdasarkan sektor ekonomi dan kolektibilitas

12. LOANS AND SHARIA FINANCING (continued)

b. By economic sector of loans and collectibility

2022							
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub- standard	Diragukan/ Doubtful	Macet/ Loss	
Rumah tangga	28.626.074	27.853.074	294.934	26.323	37.043	414.700	Household
Perdagangan besar dan eceran	5.770.630	5.035.105	315.445	14.955	21.580	383.545	Wholesale and retail trade
Konstruksi	3.598.479	3.466.058	15.856	1.066	-	115.499	Construction
Industri pengolahan	2.319.103	2.198.171	40.870	2.073	3.118	74.871	Processing industry
Jasa kemasyarakatan dan sosial budaya	1.901.379	1.853.941	18.868	345	2.635	25.590	Public and social culture services
Pertanian perburuan dan kehutanan	1.579.975	1.331.024	157.290	4.177	6.645	80.839	Agriculture, hunting and forestry
Perantara keuangan	1.187.332	1.127.892	27.999	1.359	5.764	24.318	Financial intermediaries
Akomodasi makanan dan minuman	321.695	296.561	12.186	692	49	12.207	Accommodation, food and beverage
Jasa pendidikan	104.662	104.475	-	-	-	187	Education services
Transportasi pergudangan dan komunikasi	173.033	160.565	3.563	-	-	8.905	Transportation, warehousing and communications
Jasa kesehatan dan kegiatan sosial	135.295	124.066	810	-	-	10.419	Health services and social activities
Real estate usaha persewaan dan jasa perusahaan	123.042	98.683	3.336	91	41	20.891	Real estate, business services and business ownership
Listrik gas dan air	29.627	29.256	349	-	-	22	Electricity, gas and water
Perikanan	75.092	63.749	8.055	3	878	2.407	Fishery
Pertambangan dan penggalian	24.244	15.370	3.833	-	-	5.041	Mining and quarrying
Jasa perorangan yang melayani rumah tangga	13.872	12.374	697	-	112	689	Individual services which serve households
Kegiatan yang belum jelas batasannya	6.484	6.484	-	-	-	-	Activity is still undefined
Administrasi Pemerintahan, Pertahanan dan Jaminan Sosial Wajib	174.195	174.195	-	-	-	-	Government Administration, Defense and Mandatory Social Security
Lainnya	32.444	31.316	1.038	-	-	90	Other
Jumlah	46.196.657	43.982.359	905.129	51.084	77.865	1.180.220	Total
Dikurangi: Penyisihan kerugian penurunan nilai	(1.318.612)	(395.953)	(78.550)	(18.979)	(28.495)	(796.635)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	44.878.045	43.586.406	826.579	32.105	49.370	383.585	Total loans, net

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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING (continued)

c. Berdasarkan sisa umur kredit

c. *Maturity of loans*

	2022	2021	
Kurang dari 1 tahun	5.289.294	5.928.361	Less than 1 year
1 - 2 tahun	3.476.781	2.508.611	1 - 2 years
Lebih dari 2 - 5 tahun	12.888.940	11.203.641	More than 2 - 5 years
Lebih dari 5 tahun	24.541.642	23.108.946	Over 5 years
	<u>46.196.657</u>	<u>42.749.559</u>	
Dikurangi: Penyisihan kerugian penurunan nilai	(1.318.612)	(1.831.417)	Less: Allowance for impairment losses
Jumlah kredit yang diberikan, neto	<u>44.878.045</u>	<u>40.918.142</u>	Total loans, net

d. Berdasarkan hubungan

d. *By relationship*

2022							
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss	
Pihak berelasi (Catatan 40)	134.871	132.025	2.846	-	-	-	Related party (Note 40)
Pihak ketiga	46.061.786	43.850.334	902.283	51.084	77.865	1.180.220	Third parties
Jumlah	<u>46.196.657</u>	<u>43.982.359</u>	<u>905.129</u>	<u>51.084</u>	<u>77.865</u>	<u>1.180.220</u>	Total
Dikurangi: Penyisihan kerugian penurunan nilai							Less: Allowance for impairment losses
Pihak berelasi	(284)	(127)	(157)	-	-	-	Related parties
Pihak ketiga	(1.318.328)	(395.826)	(78.393)	(18.979)	(28.495)	(796.635)	Third parties
Jumlah	<u>(1.318.612)</u>	<u>(395.953)</u>	<u>(78.550)</u>	<u>(18.979)</u>	<u>(28.495)</u>	<u>(796.635)</u>	Total
Jumlah kredit yang diberikan, neto	<u>44.878.045</u>	<u>43.586.406</u>	<u>826.579</u>	<u>32.105</u>	<u>49.370</u>	<u>383.585</u>	Total loans, net

2021							
	Jumlah/ Total	Lancar/ Current	Dalam perhatian khusus/ Special mention	Kurang lancar/ Sub-standard	Diragukan/ Doubtful	Macet/ Loss	
Pihak berelasi (Catatan 40)	182.889	180.241	2.648	-	-	-	Related party (Note 40)
Pihak ketiga	42.566.670	39.869.390	780.908	62.864	91.537	1.761.971	Third parties
Jumlah	<u>42.749.559</u>	<u>40.049.631</u>	<u>783.556</u>	<u>62.864</u>	<u>91.537</u>	<u>1.761.971</u>	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	<u>(1.831.417)</u>	<u>(262.390)</u>	<u>(61.603)</u>	<u>(24.593)</u>	<u>(36.896)</u>	<u>(1.445.935)</u>	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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

d. Berdasarkan hubungan (lanjutan)

Kredit yang diberikan kepada pihak berelasi, termasuk pinjaman kepada manajemen kunci. Pinjaman kepada manajemen kunci pada tanggal 31 Desember 2022 dan 2021, masing-masing sebesar Rp104.192 dan Rp112.529 (Catatan 40) merupakan kredit untuk pembelian kendaraan, rumah dan keperluan lainnya dengan jangka waktu antara 1 - 20 tahun dan dikenakan bunga sebesar 4,60% per tahun.

e. Tingkat bunga tahunan

Tingkat bunga kredit yang diberikan dalam Rupiah pada tanggal 31 Desember 2022 dan 2021, masing-masing sebesar 10,50%-12,75%.

f. Kredit sindikasi

Keikutsertaan Bank sebagai anggota sindikasi dengan persentase penyertaan pada tanggal 31 Desember 2022 dan 2021, masing-masing berkisar antara 2,64%-63,89% dari total pinjaman sindikasi.

g. Kredit yang direstrukturisasi

Restrukturisasi kredit pada tanggal 31 Desember 2022 dan 2021, adalah masing-masing sebesar Rp3.937.602 dan Rp3.301.445.

	2022	2021
Perpanjangan waktu kredit	215.738	334.513
Perpanjangan waktu kredit dan penyesuaian suku bunga	13.846	443.783
Perpanjangan waktu kredit dan skema lain	3.708.018	2.523.148
Jumlah	3.937.602	3.301.445

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 2022 dan 2021, Bank telah memenuhi ketentuan BMPK.

12. LOANS AND SHARIA FINANCING (continued)

d. By relationship (continued)

Loans to related parties include loans to key management. Loans to key management as of December 31, 2022 and 2021 amounted to Rp104,192 and Rp112,529, respectively (Note 40), which involved automobiles, housing and other loans, with terms of between 1 - 20 years and interest at rates of between 4.60% per annum.

e. Annual interest rates

The annual interest rates of loans in Rupiah as of December 31, 2022 and 2021 are 10.50%-12.75% respectively.

f. Syndicated loans

The share of the Bank in syndicated loans as of December 31, 2022 and 2021 ranged from 2.64% - 63.89%, respectively, from total of syndication loan.

g. Restructured loans

The restructured loans as of December 31, 2022 and 2021 amounted to Rp3,937,602 and Rp3,301,445.

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, 2022 and 2021, the Bank was in compliance with Bank Indonesia's legal lending limits.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

- i. Dalam pinjaman termasuk saldo pembiayaan yang diberikan berdasarkan prinsip Syariah dari unit usaha Syariah pada tanggal 31 Desember 2022 dan 2021, adalah sebagai berikut:

	2022	2021
Murabahah	874.944	864.013
Musyarakah	767.912	689.141
Mudharabah	223.915	184.224
Qardh	36.423	24.972
Ijarah	277	18
Jumlah	1.903.471	1.762.368

- j. Kredit tidak lancar

	2022	2021
Jumlah NPL	1.309.169	1.916.372
Rasio NPL bruto	2,83%	4,48%
Rasio NPL neto	1,01%	0,96%

- k. Jumlah kredit yang diberikan dan pembiayaan syariah dijamin pada tanggal 31 Desember 2022 dan 2021, masing-masing sebesar Rp303.930 dan Rp177.300 dengan jaminan berupa deposito berjangka masing-masing sebesar Rp127.942 dan Rp87.191. (Catatan 18c).

- l. Kredit yang diberikan dan pembiayaan syariah yang dihapusbukukan untuk tahun yang berakhir pada tanggal 31 Desember 2022 dan 2021, masing-masing adalah sebesar Rp900.559 dan Rp60.568.

- m. Perubahan penyisihan kerugian penurunan nilai adalah sebagai berikut:

2022					
Cadangan kerugian penurunan nilai - kredit yang diberikan/ Allowance for impairment losses - loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	15.807	73.110	1.659.071	83.429	1.831.417
Perubahan aset keuangan yang diakui pada laporan laba rugi/ Change due to financial assets recognize in the statement of profit or loss that have:					
Transfer ke tahap 1/Transfer to stage 1	137.683	(22.598)	(115.085)	-	-
Transfer ke tahap 2/Transfer to stage 2	(1.493)	11.190	(9.697)	-	-
Transfer ke tahap 3/Transfer to stage 3	(2.649)	(34.464)	37.113	-	-
Penghapusbukuan/Writte-off	(58.773)	(25.414)	(800.922)	(15.450)	(900.559)
Dibebankan ke laporan laba rugi/ Charge to statement of profit or loss	172.483	59.479	140.562	15.230	387.754
Saldo 31 Desember 2022/ Balance at December 31, 2022	263.058	61.303	911.042	83.209	1.318.612

12. LOANS AND SHARIA FINANCING (continued)

- i. The amounts of loans including financing provided based on Sharia principles from Sharia unit as of December 31, 2022 and 2021 are as follows:

Murabahah
Musyarakah
Mudharabah
Qardh
Ijarah
Total

- j. Non-performing loans (NPL)

Total NPL
Ratio of gross NPL
Ratio of net NPL

- k. Total loans and sharia financing pledged as collateral as of December 31, 2022 and 2021 were Rp303,930 and Rp177,300, respectively with collateral of time deposit amounting Rp127,942 and Rp87,191. (Note 18c).

- l. Loans and sharia financing written-off for the year ended December 31, 2022 and 2021 amounted to Rp900.559 and Rp60.568 respectively.

- m. The changes in the allowance for impairment losses are as follows:

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN
SYARIAH (lanjutan)**

12. 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):

2021					
Cadangan kerugian penurunan nilai - kredit yang diberikan/ Allowance for impairment losses - loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	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

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 Rp866.893 (individual) dan Rp451.719 (kolektif) pada tanggal 31 Desember 2022 dan Rp1.762.015 (individual) dan Rp69.402 (kolektif) pada tanggal 31 Desember 2021.

The balance of allowance for impairment losses amounted to Rp866,893 (individual) and Rp451,719 (collective) as of December 31, 2022 and Rp1,762,015 (individual) and Rp69,402 (collective) as of December 31, 2021.

Beban penyisihan kerugian penurunan nilai adalah sebesar Rp387.754 dan Rp433.117 pada tanggal 31 Desember 2022 dan 2021 (Catatan 33).

Provision for impairment losses amounted to Rp387,754 and Rp433,117 as of December 31, 2022 and 2021 (Note 33).

Manajemen berpendapat bahwa jumlah cadangan kerugian penurunan nilai yang dibentuk cukup untuk menutup kerugian yang mungkin timbul akibat tidak tertagihnya kredit yang diberikan dan pembiayaan syariah.

Management believes that the allowance for impairment losses is adequate to cover possible losses arising from uncollectible loans and sharia financing.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

12. LOANS AND SHARIA FINANCING (continued)

n. Mutasi nilai tercatat bruto kredit yang diberikan dan pembiayaan syariah:

n. Changes in the gross carrying amount of loans and sharia financing:

2022					
Nilai tercatat bruto kredit yang diberikan/ Gross carrying amount of the loans	Tahap/ Stage 1	Tahap/ Stage 2	Tahap/ Stage 3	Pembiayaan syariah/ Sharia financing	Jumlah/ Total
Saldo awal tahun/ Beginning balance of year	38.319.178	549.722	2.118.291	1.762.368	42.749.559
Perubahan aset keuangan/ Change due to financial assets					
Transfer ke tahap 1/Transfer to stage 1	332.412	(192.277)	(140.135)	-	-
Transfer ke tahap 2/Transfer to stage 2	(473.300)	492.701	(19.401)	-	-
Transfer ke tahap 3/Transfer to stage 3	(539.528)	(216.055)	755.583	-	-
Aset keuangan yang baru atau dibeli/ New financial assets originated or purchased	19.942.656	170.525	65.829	-	20.179.010
Modifikasi arus kas kontraktual atas aset keuangan/ Modification of contractual cashflow of financial assets	(3.169.533)	(34.190)	(380.246)	-	(3.583.968)
Perubahan bersih pada eksposur dan pengukuran kembali/ Net change in exposure and remeasurement	(12.258.559)	(146.354)	976	156.553	(12.247.385)
Penghapusbukuan/Writte-off	(58.773)	(25.414)	(800.922)	(15.450)	(900.559)
Saldo 31 Desember 2022/ Balance at December 31, 2022	42.094.553	598.658	1.599.975	1.903.471	46.196.657
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/Writte-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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

12. KREDIT YANG DIBERIKAN DAN PEMBIAYAAN SYARIAH (lanjutan)

- o. Rasio kredit usaha mikro, kecil dan menengah (UMKM) terhadap jumlah kredit yang diberikan pada tanggal-tanggal 31 Desember 2022 dan 2021, masing-masing adalah sebesar 22,81% dan 24,70%.
- 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 2022, Bank telah menerima subsidi bunga dari Pemerintah untuk disalurkan kepada debitur UMKM sebesar Rp2.778.

12. LOANS AND SHARIA FINANCING (continued)

- o. Ratio of micro, small and medium scale enterprises (UMKM) credit to total loans as at December 31, 2022 and 2021 were 22.81% and 24.70% respectively.
- p. In order to accelerate National Economic Recovery Program (PEN) based on PMK No. 70/PMK.05/2020, Government place their funds in banks, which the Bank is one of them, in time deposit with 6 (six) months tenor contract amounted to Rp2,000,000 on August 14, 2020 until February 10, 2021. The Government fund has been distributed in form of loan amounted to Rp8,092,192 until February 10, 2021 and the fund will be returned to Government.

Bank also participate in channeling interest subsidy from Government for Small Medium Enterprise (SME) debtors and additional interest subsidy for Kredit Usaha Rakyat (KUR) program based on PMK No.85/PMK.05/2020 for period May, 2020.

The interest subsidies will cover loan interest are as follows:

1. The credit limit is less than or equal to Rp500, the interest subsidy is 6% for the first 3 (three) months and 3% for the following three months.
2. The credit limit is more than Rp500 to Rp10,000, the interest subsidy is 3% for the first (three) months and 2% for the following three months.

Until December 31, 2022, the Bank has distributed interest subsidies for SME debtors amounted to Rp2,778.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

13. PENDAPATAN BUNGA YANG MASIH AKAN DITERIMA

	2022	
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent
Rupiah:		
Kredit yang diberikan		340.021
Lain-lain		306.091
Mata uang asing:		
Dolar Amerika Serikat	835	13
Jumlah pendapatan bunga yang masih akan diterima		646.125

13. ACCRUED INTEREST INCOME

	2021		
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
Rupiah:			Rupiah:
		426.995	Loans
		366.895	Others
Mata uang asing:			Foreign currencies:
	702	10	United States Dollar
Total accrued interest income		793.900	

14. BIAYA DIBAYAR DIMUKA

	2022
Asuransi tunjangan hari tua	88.765
Asuransi lainnya	37.924
Sewa dibayar dimuka	6.216
Lainnya	33.756
Jumlah	166.661

Sewa dibayar dimuka merupakan sewa atas gedung kantor cabang dan rumah dinas.

14. PREPAID EXPENSES

	2021	
	82.296	Mutual aid pension insurance
	10.816	Other insurance
	1.152	Prepaid rent
	39.936	Others
Total	134.200	

Prepaid rent represents rent of the branch office buildings and official house.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

15. ASET TETAP

15. FIXED ASSETS

2022							
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Revaluasi/ Revaluation	Saldo akhir/ Ending balance		
Biaya perolehan							Cost
Tanah	856.993	47.736	-	-	40.281	945.010	Land
Bangunan	203.366	36	-	-	-	203.402	Buildings
Peralatan kantor	546.324	98.090	234	34.239	-	678.419	Office equipment
Kendaraan bermotor	33.754	28.840	12.078	-	-	50.516	Motor vehicles
	1.640.437	174.702	12.312	34.239	40.281	1.877.347	
Aset dalam penyelesaian	591	90	-	-	-	681	Construction in progress
Aset hak guna	265.235	73.477	107.480	-	-	231.232	Right of use assets
	1.906.263	248.269	119.792	34.239	40.281	2.109.260	
Akumulasi penyusutan							Accumulated depreciation
Bangunan	107.086	9.210	-	-	-	116.296	Buildings
Peralatan kantor	492.081	64.921	234	17.870	-	574.638	Office equipment
Kendaraan bermotor	33.090	3.604	12.078	-	-	24.616	Motor vehicles
	632.257	77.735	12.312	17.870	-	715.550	
Aset hak guna	129.795	87.145	107.480	-	-	109.460	Right of use assets
	762.052	164.880	119.792	17.870	-	825.010	
Nilai buku neto	1.144.211					1.284.250	Net book value

2021							
Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Revaluasi/ Revaluation	Saldo akhir/ Ending balance		
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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

15. ASET TETAP (lanjutan)

Aset hak guna per 31 Desember 2022 dan 2021 adalah sebagai berikut:

15. FIXED ASSETS (continued)

Right of use assets as of December 31, 2022 and 2021 are as follows:

2022											
	Saldo awal/ Beginning balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo akhir/ Ending balance						
Biaya perolehan						Cost					
Aset Hak Guna						Right of use assets					
Bangunan	159.663	53.474	25.072	-	188.066	Buildings					
Peralatan Kantor	25.778	9.222	24.263	-	10.737	Office Equipment					
Kendaraan	79.794	10.781	58.145	-	32.430	Motor Vehicles					
Total Biaya Perolehan	265.235	73.477	107.480	-	231.232	Total Cost					
Akumulasi penyusutan						Accumulated depreciation					
Aset Hak Guna						Right of use assets					
Bangunan	69.492	41.660	25.072	-	86.080	Buildings					
Peralatan Kantor	15.563	14.690	24.263	-	5.990	Office Equipment					
Kendaraan	44.740	30.795	58.145	-	17.390	Motor Vehicles					
Total Akumulasi Penyusutan	129.795	87.145	107.480	-	109.460	Total Accumulated depreciation					
Nilai buku	135.440				121.772	Net book value					

2021											
	Saldo awal/ Beginning balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo akhir/ Ending balance						
Biaya perolehan						Cost					
Aset Hak Guna						Right of use assets					
Bangunan	107.042	31.588	667	21.700	159.663	Buildings					
Peralatan Kantor	53.722	1.184	588	28.540	25.778	Office Equipment					
Kendaraan	94.754	6.608	661	20.907	79.794	Motor Vehicles					
Total Biaya Perolehan	255.518	39.380	1.916	(27.747)	265.235	Total Cost					
Akumulasi penyusutan						Accumulated depreciation					
Aset Hak Guna						Right of use assets					
Bangunan	25.500	40.775	667	3.884	69.492	Buildings					
Peralatan Kantor	14.520	9.113	588	7.482	15.563	Office Equipment					
Kendaraan	29.892	26.255	661	10.746	44.740	Motor Vehicles					
Total Akumulasi Penyusutan	69.912	76.143	1.916	(14.344)	129.795	Total Accumulated depreciation					
Nilai buku	185.606				135.440	Net book value					

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

15. ASET TETAP (lanjutan)

Tanah merupakan Sertifikat Hak Guna Bangunan (SHGB), Sertifikat Hak Milik atas Satuan Rumah Susun (SHMASRS) dan Sertifikat Hak Milik (SHM) seluas 106.820 m2. SHGB dan SHMASRS diberikan untuk periode maksimum 30 tahun dan dapat diperbarui.

Beban penyusutan untuk tahun yang berakhir pada tanggal 31 Desember 2022 dan 2021, masing-masing sebesar Rp164.880 dan Rp113.934 (Catatan 35).

Pada tanggal 31 Desember 2022, 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 Rp40.281. 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.

Penilaian dilakukan sesuai dengan ketentuan dari Kode Etik Penilai Indonesia dan Standar Penilaian Indonesia (KEPI & SPI) serta Peraturan No. VIII.C.4 tentang Pedoman Penilaian dan Penyajian Laporan Penilaian di Pasar Modal, ditentukan berdasarkan transaksi pasar terkini dan dilakukan dengan ketentuan-ketentuan yang lazim dan menggunakan pendekatan penilaian.

Dalam pengukuran nilai wajar tanah, Penilai Independen memperhitungkan kemampuan peserta pasar untuk menghasilkan manfaat ekonomi dengan penggunaan tertinggi dan terbaik atas aset atau dengan menjual aset ke peserta pasar lain yang akan menggunakan aset pada kondisi tertinggi dan penggunaan terbaik. Metode penilaian yang digunakan oleh Penilai Independen adalah pendekatan pasar.

15. FIXED ASSETS (continued)

Land represents Building Rights Title (SHGB), Strata Title (SHMASRS) and Freehold Title (SHM) of 106,820 m2. SHGB and SHMASRS were obtained for a maximum period of 30 years and may be extended.

Depreciation expense for years ended December 31, 2022 and 2021 amounted to Rp164,880 and Rp113,934 respectively (Note 35).

On December 31, 2022, 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 Rp40,281. 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

Appraisals are performed based on Indonesian Appraisers Ethics Code and Indonesian Appraise Standards (KEPI & SPI) and Regulation No. VIII.C.4 concerning the Guidance on Valuation and Presentation for the Appraisal Report on the Capital Market based on references from recent market transactions and ensue within the clause.

In fair value measurement of land, the Independent Appraisers counts market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The valuation method used by the Independent Appraiser is market approach.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

15. ASET TETAP (lanjutan)

Berdasarkan laporan penilaian dari Kantor Jasa Penilai Publik (KJPP) Hari Utomo dan Rekan tanggal 5 Januari 2023 dan KJPP Satria Iskandar Setiawan & Rekan tanggal 14 Januari 2022 nilai wajar atas aset tetap yang dimiliki Bank pada tanggal 31 Desember 2022 dan 2021 adalah sebesar Rp1.483.367 dan Rp1.261.746

Pada tanggal 31 Desember 2022 dan 2021, jika tanah diukur dengan metode biaya, nilai tercatatnya sebesar Rp133.768 dan Rp86.033.

Aset tetap, kecuali tanah, pada tanggal 31 Desember 2022 dan 2021 diasuransikan terhadap risiko kebakaran, kerusakan, kecelakaan, dan pencurian dengan jumlah pertanggungan masing-masing sebesar Rp1.113.426 dan Rp3.337.543. 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, 2022	Bangunan/ <i>Buildings</i>	11%	681	2024
31 Desember/ December 31, 2021	Bangunan/ <i>Buildings</i>	7%	591	2022

Jumlah tercatat bruto dari aset tetap yang telah disusutkan penuh namun masih digunakan dalam usaha adalah sebagai berikut:

	2022	2021	
Bangunan	19.264	17.546	<i>Buildings</i>
Peralatan kantor	399.176	359.866	<i>Office equipment</i>
Kendaraan bermotor	31.539	40.396	<i>Motor vehicle</i>
Jumlah	449.980	417.808	Total

Pada tanggal 31 Desember 2022 dan 2021, tidak terdapat aset tetap yang dijadikan jaminan.

15. FIXED ASSETS (continued)

Based on appraisal report of "Kantor Jasa Penilai Publik (KJPP) Hari Utomo and Partner dated January 5, 2023 and KJPP Satria Iskandar Setiawan and Partner dated January 14, 2022 the valuation of fixed assets owned by the Banks as of December 31, 2022 and 2021 amounted Rp1,483,367 and Rp1,261,746, respectively.

On December 31, 2022 and 2021, if land is measured by cost method, its carrying value is Rp133,768 and Rp86,033.

All fixed assets, except land were insured against fire, riot, accident, and theft risks as of December 31, 2022 and 2021 for insurance coverage amounting to Rp1,113,426 and Rp3,337,543, respectively. Management believes that the insurance coverage is adequate to cover possible losses from the assets for insured risks.

Management believes that there is no impairment in the value of fixed assets owned by the Bank during the year as described in PSAK 48 (Revised 2014), because management believes that the carrying amounts of fixed assets do not exceed the estimated recoverable amount.

The details of construction in progress are as follows:

The gross carrying amount of fixed assets that have been fully depreciated but still in use in operations are as follows:

As of December 31, 2022 and 2021, there were no fixed assets pledged as collateral.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

15. ASET TETAP (lanjutan)

Aset tetap yang telah dihapusbuku, kemudian dilakukan penjualan melalui lelang dengan rincian sebagai berikut:

	2022	2021
Harga jual	5.274	4.556
Nilai buku	-	604
Laba penjualan aset tetap	5.274	3.952

Proceed
Book Value
Gain from sale of fixed assets

16. ASET LAIN-LAIN

	2022
Beban yang ditangguhkan	110.112
Persediaan alat tulis kantor dan barang cetakan	19.812
Lainnya, neto	54.486
Penyisihan penurunan nilai realisasi bersih	(43.412)
Jumlah	140.998

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:

	2022	2021
Saldo awal	25.460	25.460
Penyisihan selama tahun berjalan	17.952	-
Saldo akhir	43.412	25.460

Beginning balance
Provision for the current year
Ending balance

15. FIXED ASSETS (continued)

Fixed assets that have been write-off, then do the sale through auction as follows:

16. OTHER ASSETS

Deferred charges represent costs related to the establishment of offices, building renovations and telecommunication network. Deferred charges are amortized over the land or building lease period using the straight-line method.

Others included deferred cost related to the extension of the landright and amortized over the period of the related landright using the straight-line method.

Management believes that there is no impairment in the value of other assets do not exceed the estimated recoverable amount.

The movements in the allowance for decline in net realizable value are as follows:

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

17. LIABILITAS SEGERA

	2022
Transfer, inkaso, kliring	319.871
Penerimaan yang akan diperhitungkan	122.431
Beban sudah efektif harus dibayar	91.760
ATM Bersama	12.779
Lain-lain	325.673
Jumlah	872.514

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 2022 dan 2021 adalah dalam mata uang Rupiah.

17. OBLIGATIONS DUE IMMEDIATELY

	2021	
	172.987	Transfer and cheques pending collection and clearing
	116.659	Acceptance pending settlement
	103.364	Amount involving expenses payable
	-	ATM Bersama
	200.865	Others
Jumlah	593.875	Total

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, 2022 and 2021 are in Rupiah currency.

18. SIMPANAN DARI NASABAH

a. Berdasarkan segmen

	2022
Rupiah Konvensional	
Tabungan	
- Simpeda	16.468.574
- Tabunganku	3.904.029
- Siklus	2.606.393
- Siklus Prioritas	2.563.553
- Simpanan Pelajar	71.323
- Haji	18.428
- Siklus Nelayan	295
	25.632.595
Giro	
- Pemerintah Daerah	14.593.208
- Umum	8.877.147
	23.470.355
Deposito berjangka	
- 1 bulan	5.874.726
- 2 bulan	271.709
- 3 bulan	16.276.952
- 6 bulan	325.605
- 12 bulan	7.648.875
- 18 bulan	25.594
- 24 bulan	10.643
- Jatuh tempo	560
- Deposito <i>on call</i>	40.300
	30.474.964
Jumlah konvensional	79.577.914

18. DEPOSITS FROM CUSTOMERS

a. Based on segment

	2021	Rupiah Conventional
		Savings
	16.010.311	Simpeda -
	3.469.603	Tabunganku -
	4.659.197	Siklus -
	-	Siklus Prioritas -
	61.275	Simpanan Pelajar -
	20.942	Haji -
	469	Siklus Nelayan -
	24.221.797	
		Current accounts
	16.440.199	Municipal District -
	9.416.895	Public -
	25.857.094	
		Time deposits
	8.528.304	1 month -
	175.702	2 months -
	13.500.564	3 months -
	286.438	6 months -
	8.233.273	12 months -
	130	18 months -
	4.477	24 months -
	892	Due Date -
	288.190	Deposits on call -
	31.017.970	
	81.096.861	Total conventional

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

18. SIMPANAN DARI NASABAH (lanjutan)

a. Berdasarkan segmen (lanjutan)

	2022	2021
Syariah		
Tabungan		
- Tabunganku	56.222	52.767
- Simpanan Pelajar	7.083	5.076
- Umroh Amanah	4.002	4.153
- Tabungan Laku Pandai	15	-
- Tabungan Santri	13	-
	<u>67.335</u>	<u>61.996</u>
 Giro		
- Wadiah Pemerintah	2.410	1.525
- Wadiah swasta	152.820	108.252
- Wadiah perorangan	860	839
	<u>156.090</u>	<u>110.616</u>
Jumlah syariah	<u>223.425</u>	<u>172.612</u>
Jumlah Rupiah	<u>79.801.339</u>	<u>81.269.473</u>
Mata uang asing		
Konvensional		
Giro		
- Umum	6.692	5.779
 Tabungan		
- Siklus	49.288	42.827
	<u>55.980</u>	<u>48.606</u>
Deposito berjangka		
- 1 bulan	62.703	65.383
- 3 bulan	4.627	4.429
- 6 bulan	697	744
- 12 bulan	344	50
	<u>68.371</u>	<u>70.606</u>
Jumlah mata uang asing	<u>124.351</u>	<u>119.212</u>
Jumlah	<u>79.925.690</u>	<u>81.388.685</u>

18. DEPOSITS FROM CUSTOMERS (continued)

a. Based on segment (continued)

Sharia
Savings
Tabunganku -
Simpanan Pelajar -
Umroh Amanah -
Laku Pandai Saving -
 Current accounts
Government wadiah -
Private wadiah -
Individual wadiah -
 Total sharia
Total Rupiah
Foreign currencies
Conventional
Current accounts
Public -
 Savings
Siklus -
 Time deposits
1 month -
3 months -
6 months -
12 months -
 Total foreign currencies
Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

18. SIMPANAN DARI NASABAH (lanjutan)

b. Berdasarkan hubungan dan mata uang

	2022		
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
Pihak berelasi			
<u>Rupiah</u>			
Konvensional			
Giro		14.897.111	
Tabungan		55.619	
Deposito berjangka		339.868	
Syariah			
Tabungan		14	
<u>Mata uang asing</u>			
Konvensional			
Giro	43.231	673	
Tabungan	81.709	1.272	
Deposito berjangka dan deposito on call	54.472	848	
Jumlah pihak berelasi (Catatan 40)		<u>15.295.405</u>	
Pihak ketiga			
<u>Rupiah</u>			
Konvensional			
Giro		8.573.244	
Tabungan		25.576.976	
Deposito berjangka dan deposito on call		30.135.096	
Syariah			
Giro		156.089	
Tabungan		67.322	
<u>Mata uang asing</u>			
Giro	386.639	6.019	
Tabungan	3.084.374	48.016	
Deposito berjangka dan deposito on call	4.337.434	67.523	
Jumlah pihak ketiga		<u>64.630.285</u>	
Total		<u>79.925.690</u>	

Simpanan dari pihak berelasi tersebut merupakan simpanan dari Pemerintah Daerah dan manajemen kunci.

18. DEPOSITS FROM CUSTOMERS (continued)

b. Based on relationship and currencies

	2021		
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah equivalent	
Related parties			
<u>Rupiah</u>			
Conventional			
Current accounts		17.271.753	
Savings		60.918	
Time deposits		384.574	
Sharia			
Savings		14	
<u>Foreign currencies</u>			
Conventional			
Current accounts	43.289	619	
Saving accounts	35.571	507	
Time deposits and deposits on call	94.787	1.351	
Total related parties (Note 40)		<u>17.719.736</u>	
Third parties			
<u>Rupiah</u>			
Conventional			
Current accounts		8.585.341	
Savings		24.160.877	
Time deposits and deposits on call		30.633.396	
Sharia			
Current accounts		110.616	
Savings		61.981	
<u>Foreign currencies</u>			
Current accounts	362.169	5.162	
Savings	2.969.270	42.321	
Time deposits and deposits on call	4.858.977	69.255	
Total third parties		<u>63.668.949</u>	
Total		<u>81.388.685</u>	

These deposits from related parties represent deposits from Regional Governments and key management personnel.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

18. SIMPANAN DARI NASABAH (lanjutan)

b. Berdasarkan hubungan dan mata uang (lanjutan)

- 1) Tingkat suku bunga rata-rata per tahun giro terdiri dari:

	2022	2021
Rupiah	0.89%	0.86%
Mata uang asing	0.14%	0.17%

Tingkat bunga rata-rata per tahun untuk giro dari adalah sama antara pihak berelasi dengan pihak ketiga.

Pada tanggal 31 Desember 2022 dan 2021, tidak terdapat giro yang diblokir dan dijadikan jaminan kredit.

- 2) Tingkat suku bunga rata-rata per tahun tabungan terdiri dari:

	2022	2021
Tabungan		
- Simpeda	0.96%	1.08%
- Siklus	1.65%	1.71%
- Haji	0.76%	0.77%
- Tabunganku	0.91%	0.87%

Tingkat bunga rata-rata per tahun tabungan untuk pihak berelasi adalah sama dengan pihak ketiga.

Pada tanggal 31 Desember 2022 dan 2021, tidak terdapat tabungan yang diblokir dan dijadikan jaminan kredit.

18. DEPOSITS FROM CUSTOMERS (continued)

b. Based on relationship and currencies (continued)

- 1) The average interest rates per annum on current accounts consist of:

	2022	2021
Rupiah	0.89%	0.86%
Foreign currencies	0.14%	0.17%

The average interest rates per annum on current accounts with related parties are similar to those for third parties.

As of December 31, 2022 and 2021, there were no current accounts held under liens and used as security.

- 2) The average interest rates per annum on savings consist of:

	2022	2021
Savings		
Simpeka -	0.96%	1.08%
Siklus -	1.65%	1.71%
Haji -	0.76%	0.77%
Tabunganku -	0.91%	0.87%

The average interest rates per annum on savings for related parties are similar to those for third parties.

As of December 31, 2022 and 2021, there were no savings held under liens and used as collateral.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

18. SIMPANAN DARI NASABAH (lanjutan)

- b. Berdasarkan hubungan dan mata uang (lanjutan)
- 3). Rincian deposito berjangka dan deposito *on call*:

Klasifikasi deposito berdasarkan jangka waktu sebagai berikut:

	2022
Rupiah	
- 1 bulan	5.874.726
- 2 bulan	271.709
- 3 bulan	16.276.952
- 6 bulan	325.605
- 12 bulan	7.648.875
- 18 bulan	25.594
- 24 bulan	10.643
- Jatuh tempo	560
- Deposito <i>on call</i>	40.300
	<u>30.474.964</u>
Mata uang asing	
- 1 bulan	62.703
- 3 bulan	4.627
- 6 bulan	697
- 12 bulan	344
	<u>68.371</u>
Jumlah	<u>30.543.335</u>

Klasifikasi deposito berdasarkan sisa umur sampai dengan saat jatuh tempo:

	2022
Rupiah	
- Kurang dari atau sama dengan 1 bulan	5.874.726
- Lebih dari 1 - 3 bulan	16.548.661
- Lebih dari 3 - 6 bulan	325.605
- Lebih dari 6 - 12 bulan	7.648.875
- Lebih dari 12 - 18 bulan	25.594
- Lebih dari 18 - 24 bulan	10.643
- Jatuh tempo	560
- Deposito <i>on call</i>	40.300
	<u>30.474.964</u>
Mata uang asing	
- Kurang dari atau sama dengan 1 bulan	62.703
- Lebih dari 1 - 3 bulan	4.627
- Lebih dari 3 - 6 bulan	697
- Lebih dari 6 - 12 bulan	344
	<u>68.371</u>
Jumlah	<u>30.543.335</u>

18. DEPOSITS FROM CUSTOMERS (continued)

- b. Based on relationship and currencies (continued)
- 3). Detail of time deposits and deposits *on call*:

The details of time deposits based on maturities are as follows:

	2021	
		Rupiah
	8.438.601	1 month -
	175.702	2 months -
	13.586.137	3 months -
	284.675	6 months -
	8.239.166	12 months -
	130	18 months -
	4.477	24 months -
	892	Matured -
	288.190	Deposits on call -
	<u>31.017.970</u>	
		Foreign currencies
	65.383	1 month -
	4.429	3 months -
	744	6 months -
	50	12 months -
	<u>70.606</u>	
	<u>31.088.576</u>	Total

The details of time deposits based on remaining period until maturity:

	2021	
		Rupiah
	9.055.199	Less than or until 1 month -
	13.145.742	More than 1 - 3 months -
	284.174	More than 3 - 6 months -
	8.239.166	More than 6 - 12 months -
	130	More than 12 - 18 months -
	4.477	More than 18 - 24 months -
	892	Matured -
	288.190	Deposits on call -
	<u>31.017.970</u>	
		Foreign currencies
	65.383	Less than or until 1 month -
	4.429	More than 1 - 3 months -
	744	More than 3 - 6 months -
	50	More than 6 - 12 months -
	<u>70.606</u>	
	<u>31.088.576</u>	Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

18. SIMPANAN DARI NASABAH (lanjutan)

c. Tingkat bunga rata-rata deposito per tahun:

	2022	2021
Rupiah		
- 1 bulan	2.63%	2.98%
- 2 bulan	2.68%	3.00%
- 3 bulan	2.78%	3.00%
- 6 bulan	2.90%	3.00%
- 12 bulan	2.95%	3.00%
- 18 bulan	3.00%	3.00%
- 24 bulan	3.00%	3.00%
- Deposito on call	2.01%	2.93%
Mata uang asing:		
- 1 dan 3 bulan	0.18%	0.18%

Tingkat bunga rata-rata per tahun untuk deposito berjangka dari pihak berelasi adalah sama dengan pihak ketiga.

Pada tanggal 31 Desember 2022 dan 2021, jumlah deposito berjangka yang diblokir dan dijadikan jaminan kredit, masing-masing sebesar Rp127.942 dan Rp87.191 (Catatan 12k).

18. DEPOSITS FROM CUSTOMERS (continued)

c. Average interest rates of deposits per annum:

Rupiah	
1 month -	
2 months -	
3 months -	
6 months -	
12 months -	
18 months -	
24 months -	
Deposits on call	
Foreign currencies	
1 and 3 months -	

The average interest rates per annum on time deposits from related parties are similar to those for third parties.

As of December 31, 2022 and 2021, time deposits held under liens and used as security were Rp127,942 and Rp87,191, respectively (Note 12k).

19. SIMPANAN DARI BANK LAIN

a. Berdasarkan segmen

	2022	2021
Konvensional		
Tabungan		
- Siklus	217.121	210.980
- Simpeda	307.176	308.338
	<u>524.297</u>	<u>519.318</u>
Giro		
- Giro Bank Swasta	49.982	55.685
- Giro BPD-SI	3.900	2.613
- Giro Bank Pemerintah	2.406	191
- Giro BPR	780	135
- Giro BPR Jets	30.887	12.318
	<u>87.955</u>	<u>70.942</u>
Deposito berjangka		
- 1 bulan	178.937	409.666
- 2 bulan	2.000	-
- 3 bulan	106.750	202.950
- 6 bulan	60	11.660
- 12 bulan	4.500	1.000
	<u>292.247</u>	<u>625.276</u>
Interbank call money	2.395.000	2.055.000
Total konvensional	<u>3.299.499</u>	<u>3.270.536</u>
Syariah		
- Giro wadiah	11.339	19.181
Total syariah	<u>11.339</u>	<u>19.181</u>
Total	<u>3.310.838</u>	<u>3.289.717</u>

19. DEPOSITS FROM OTHER BANKS

a. Based on segment

Conventional	
Savings	
Siklus -	
Simpeda -	
Current accounts	
Private bank current accounts -	
BPD-SI current accounts -	
Government bank current accounts -	
BPR current accounts -	
BPR Jets current accounts -	
Time deposits	
1 month -	
2 months -	
3 months -	
6 months -	
12 months -	
Interbank call money	
Total conventional	
Sharia	
Wadiah current account -	
Total sharia	
Total	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

19. SIMPANAN DARI BANK LAIN (lanjutan)

b. Berdasarkan hubungan

	2022	2021
Pihak berelasi		
- Giro	920	913
- Tabungan	64.046	40.226
- Deposito berjangka	77.030	319.030
	<u>141.996</u>	<u>360.169</u>
Pihak ketiga		
- Giro	98.374	89.210
- Tabungan	460.251	479.092
- Deposito berjangka	215.217	306.246
- SIMA	-	846.000
- Interbank call money	2.395.000	2.055.000
	<u>3.168.842</u>	<u>3.775.548</u>
Total	<u>3.310.838</u>	<u>4.135.717</u>

Seluruh simpanan dari bank lain adalah dalam mata uang Rupiah.

c. Deposito berdasarkan sisa umur sampai dengan saat jatuh tempo

	2022	2021
Rupiah		
- Kurang dari atau sama dengan 1 bulan	178.437	409.666
- Lebih dari 1 - 3 bulan	109.250	202.950
- Lebih dari 3 - 6 bulan	60	11.660
- Lebih dari 6 - 12 bulan	4.500	1.000
	<u>292.247</u>	<u>625.276</u>
- Interbank call money	2.395.000	2.055.000
Total	<u>2.687.247</u>	<u>2.680.276</u>

d. Tingkat suku bunga rata-rata per tahun

	2022	2021
Konvensional		
Giro	0,46%	0,65%
Tabungan	1,16%	1,23%
Deposito	4,00%	2,90%
Interbank call money	5,67%	2,95%
Syariah		
Giro	0,07%	0,36%
Tabungan	0,60%	0,31%
Deposito	2,40%	2,89%
SIMA	2,80%	3,22%

19. DEPOSITS FROM OTHER BANKS (continued)

b. Based on relationship

Related parties
Current accounts -
Savings -
Time deposits -

Third parties
Current accounts -
Savings -
Time deposits -
SIMA -
Interbank call money -

Total

All deposits from other banks are in Rupiah.

c. Deposits by remaining period to maturity

Rupiah

Less than or until 1 month -
More than 1 - 3 months -
More than 3 - 6 months -
More than 6 - 12 months -

Interbank call money -
Total

d. Average interest rates per annum

Conventional
Current accounts
Savings
Time deposits
Interbank call money

Sharia
Current accounts
Savings
Time deposits
SIMA

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

20. LIABILITAS SURAT BERHARGA YANG DIJUAL DENGAN JANJI DIBELI KEMBALI

Pada tanggal 31 Desember 2022 dan 2021, Bank memiliki liabilitas surat berharga yang dijual dengan janji dibeli kembali sejumlah Rp3.891.346 dan RpNihil dengan rincian sebagai berikut:

20. LIABILITIES OF MARKETABLE SECURITIES SOLD UNDER REPURCHASE AGREEMENT

As of December 31, 2022 and 2021, Bank has a number of liability for repo securities Rp3,891,346 and RpNihil with details as follows:

2022

Jenis surat berharga/ Securities	Nilai nominal/ Nominal value	Tanggal dimulai/ Start date	Tanggal jatuh tempo/ Maturity date	Tingkat suku bunga/ Interest rate	Nilai beli kembali/ Buy back value	Beban bunga yang belum diamortisasi/ Unamortized interest expense	Nilai bersih/ Net value
Sertifikat Bank Indonesia							
FR0081	400.000	15 November/ November 15, 2022	14 Februari/ February 14, 2023	5,73%	394.481	2.723	391.758
FR0070	200.000	29 November/ November 29, 2022	28 Februari/ February 28, 2023	6,23%	202.166	1.998	200.168
FR0081	200.000	19 Desember/ December 19, 2022	2 Januari/ January 2, 2023	5,75%	96.086	15	96.070
FR0086	500.000	20 Desember/ December 20, 2022	3 Januari/ January 3, 2023	5,80%	470.847	151	470.696
FR0059	350.000	22 Desember/ December 22, 2022	1 Februari/ February 1, 2023	5,65%	346.111	1.673	344.437
FR0059	200.000	23 Desember/ December 23, 2022	2 Januari/ January 2, 2023	5,80%	196.492	32	196.460
FR0086	550.000	23 Desember/ December 23, 2022	2 Januari/ January 2, 2023	5,80%	471.288	76	471.212
FR0086	150.000	26 Desember/ December 26, 2022	2 Januari/ January 2, 2023	5,75%	188.488	30	188.458
FR0059	200.000	26 Desember/ December 26, 2022	2 Januari/ January 2, 2023	5,75%	196.435	31	196.404
FR0081	700.000	28 Desember/ December 28, 2022	4 Januari/ January 4, 2023	5,80%	771.068	372	770.696
FR0086	600.000	29 Desember/ December 29, 2022	5 Januari/ January 5, 2023	5,75%	565.348	361	564.987
Jumlah/Total					3.898.809	7.463	3.891.346

21. PINJAMAN YANG DITERIMA

Kementerian Pekerjaan Umum dan Perumahan Rakyat (PUPR) Republik Indonesia
Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)
PT Sarana Multigriya Financial
Pemerintah Provinsi Jawa Timur (pihak berelasi)
Total

2022	2021
481.532	457.034
76.698	120.394
71.867	76.493
1.367	1.367
631.464	655.288

Seluruh pinjaman yang diterima adalah dari pihak ketiga dan dalam mata uang Rupiah.

21. BORROWINGS

Ministry of Public Works and Housing of the Republic of Indonesia
Lembaga Pengelola Dana Bergulir Koperasi, Usaha Mikro, Kecil dan Menengah (LPDB-KUMKM)
PT Sarana Multigriya Financial
Government of East Java Province (related party)
Total

All borrowings are from third parties and in Rupiah.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

21. PINJAMAN YANG DITERIMA (lanjutan)

a. Kementerian PUPR

Pusat Pengelolaan Dana Pembiayaan Perumahan (PPDPP) Kementerian PUPR Republik Indonesia bekerjasama dengan Bank dalam hal program Penyaluran Dana Fasilitas Likuiditas Pembiayaan Perumahan (FLPP) melalui kredit/pembiayaan kepemilikan 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 31 Desember 2022 dan 2021, Bank telah menyalurkan kredit FLPP masing-masing sebesar Rp194.934 dan Rp184.774.

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.

Bank menjaminkan kreditnya kepada LPDB-KUMKM dengan nilai minimal 100% dari *outstanding* pinjaman yang menjadi jaminan fidusia. Pada 31 Desember 2022 dan 2021 bank memiliki sisa pinjaman sebesar Rp76.500 dan Rp120.251. Apabila dalam jangka waktu pinjaman terdapat penurunan kualitas piutang yang dijamin maka bank wajib mengganti dengan piutang baru yang sehat.

21. BORROWINGS (continued)

a. Ministry of Public Works and Housing

Fund Management Center of Housing Financing (PPDPP) from the Ministry of General Works and Public Housing of the Republic of Indonesia in collaboration with the Bank disburse the Liquidity Facility of Housing Financing (FLPP) through loan/financing of housing for sharia prosperous house for low-income communities with an interest rate maximum of 0.5% for KPR Sejahtera FLPP provision fee. KPR Sejahtera FLPP has a maximum term of 20 (twenty) years. The term of the operational cooperation agreement is starting from January 1, 2021 until December 31, 2021 and as the latest amendment has been extended from 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 December 31, 2022 and 2021, the Bank has disbursed FLPP to debtors amounting to Rp194,934 and Rp184,774, 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.

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, 2022 and 2021 the bank has outstanding loan of Rp76,500 and Rp120,251. 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.

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

21. PINJAMAN YANG DITERIMA (lanjutan)

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.

21. BORROWINGS (continued)

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.*

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

21. PINJAMAN YANG DITERIMA (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 Indutri 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.

21. BORROWINGS (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.

22. PERPAJAKAN

- a. Pada tanggal 31 Desember 2022 dan 2021, saldo piutang pajak atas pajak lainnya masing-masing sebesar Rp493 dan Rp412.
- b. Utang pajak:

	2022	2021
Pajak penghasilan pasal 25	43.577	-
Pajak penghasilan pasal 21	30.453	20.291
Pajak penghasilan pasal 23/4 (2)	10.489	13.492
Pajak penghasilan pasal 29 (Catatan 22f)	5.803	131.299
Lain-lain	461	394
Total	90.783	165.476

- c. Beban pajak penghasilan badan:

	2022	2021
Pajak kini	412.330	474.145
Penyesuaian beban pajak		
Pajak kini tahun 2019	(104.878)	-
Total	307.452	474.145
Pajak tangguhan	36.036	(59.241)
Koreksi pajak tangguhan		
Pajak tangguhan 2019	102.543	-
Penyesuaian saldo awal	41.194	-
Total	179.773	(59.241)
Beban pajak	487.225	414.904

22. TAXATION

- a. As of December 31, 2022 and 2021, the balance of tax receivable on other tax amounted Rp493 and Rp412, respectively.
- b. Taxes payable:

	2022	2021
Corporate income tax - article 25	43.577	-
Employees' income tax - article 21	30.453	20.291
Withholding income tax articles 23/4 (2)	10.489	13.492
Corporate income tax - article 29 (Note 22f)	5.803	131.299
Others	461	394
Total	90.783	165.476

- c. Corporate income tax expense:

	2022	2021
Current tax	412.330	474.145
Adjustment on tax expense		
Current tax year 2019	(104.878)	-
Total	307.452	474.145
Deferred Tax	36.036	(59.241)
Deferred Tax Correction		
Deferred Tax year 2019	102.543	-
Beginning balance adjustment on deferred tax assets	41.194	-
Total	179.773	(59.241)
Income tax expense	487.225	414.904

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

22. PERPAJAKAN (lanjutan)

- d. Rekonsiliasi antara laba sebelum beban pajak yang disajikan dalam laporan laba rugi dan penghasilan komprehensif lain dengan taksiran laba kena pajak adalah sebagai berikut:

	2022	2021
Laba sebelum beban pajak	2.030.049	1.937.974
Perbedaan tetap:		
Pajak	87.828	69.549
Tanggung jawab sosial dan lingkungan, sumbangan, promosi, rapat dan jamuan tamu dan lainnya	98.188	76.754
Penyisihan kerugian penurunan nilai non kredit	51.173	26.629
Lain-lain	92.580	72.796
	<u>329.769</u>	<u>245.728</u>
Perbedaan temporer:		
Penyisihan kerugian penurunan nilai	(205.927)	252.702
Cadangan jasa produksi	385.706	380.767
Cadangan imbalan kerja	31.918	5.869
Cadangan lainnya	(5.900)	41.072
Sewa	(14.689)	4.210
Pembayaran jasa produksi	(380.767)	(372.823)
	<u>(189.659)</u>	<u>311.797</u>
Total	<u>140.110</u>	<u>557.525</u>
Taksiran laba kena pajak	<u>2.170.159</u>	<u>2.495.499</u>

22. TAXATION (continued)

- d. The reconciliation between income before tax expense as shown in the statements of profit or loss and other comprehensive income and estimated taxable income is as follows:

Income before tax expense
Permanent differences:
Taxes
Social and environment responsibility, donation, promotion, meetings and entertainment and others
Non loan provision for impairment losses
Others
Temporary differences:
Provision for impairment losses
Provision for employee bonuses
Provision for employee benefit
Others provision
Lease
Payment for employee bonuses
Total
Estimated taxable income

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. PERPAJAKAN (lanjutan)

e. Perhitungan beban pajak adalah sebagai berikut:

	2022	2021
Pajak kini (Pajak dengan tarif efektif atas taksiran laba kena pajak tahun berjalan)	412.330	474.145
	412.330	474.145
Beban (manfaat) pajak penghasilan tangguhan atas pengaruh beda temporer temporer pada tarif pajak maksimum:		
Penyisihan kerugian penurunan nilai	39.126	(48.013)
Cadangan jasa produksi	(73.284)	(72.345)
Koreksi fiskal PSAK 73	2.790	(800)
Cadangan imbalan kerja	(6.064)	(1.115)
Cadangan lainnya	1.121	(7.804)
Penerimaan hapusbuku	-	-
Pembayaran jasa produksi	72.346	70.836
Manfaat pajak tangguhan	36.035	(59.241)
Laba sebelum beban pajak	448.365	414.904
Taksiran pajak penghasilan dengan tarif pajak yang berlaku	385.710	368.215
Pengaruh pajak atas beda tetap	62.656	46.689
Pajak kini hasil pemeriksaan tahun 2019	(104.878)	-
Pajak penghasilan tahun berjalan	343.488	414.904
Hasil Pemeriksaan Tahun 2019	102.543	-
Penyesuaian aset pajak tangguhan saldo awal	41.194	-
Beban pajak, neto	487.225	414.904

f. Perhitungan utang pajak penghasilan badan adalah sebagai berikut:

	2022	2021
Beban pajak tahun berjalan	412.330	474.145
Dikurangi: Pajak penghasilan badan dibayar dimuka - pajak penghasilan - pasal 25	406.527	342.846
Kurang bayar pajak penghasilan badan (Catatan 22b)	(5.803)	(131.299)

22. TAXATION (continued)

e. The computation of tax expense is as follows:

Current tax (At the effective tax rate on estimated taxable income for the current year)
Deferred tax expense (benefit) of temporary differences at the maximum tax rate:
Provision for impairment losses
Provision for employee bonuses
PSAK 73 Fiscal Correction
Provision for employee benefit
Others provision
Write off credit income
Payment for employee bonuses
Deferred tax benefit
Income before tax expense
Estimated income tax at applicable tax rate
Tax effect on permanent differences
Inspection current tax year 2019
Corporate income tax current year
Inspection result year 2019
Adjustment deferred tax assets
Beginning balance
Tax expense, net

f. The analysis of corporate income tax payable is as follows:

Current year tax expense
Less: Prepaid corporate income tax - article 25
Under payment of corporate income tax (Note 22b)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. PERPAJAKAN (lanjutan)

g. Aset pajak tangguhan:

	31 Desember/ December 31, 2021	Dikreditkan ke penghasilan komprehensif lain/ Credited to other comprehensive income	Dibebankan ke laporan laba rugi/ Charged to statement of profit or loss	Penyesuaian saldo awal/ Beginning balance adjustment	31 Desember/ December 31, 2022	
Cadangan jasa produksi	72.346	-	938	-	73.284	Provision for employee bonuses
Penyisihan kerugian aset produktif	523.599	-	(141.669)	(41.194)	340.736	Provision for losses on earning assets
Laba yang belum direalisasi atas aset keuangan yang diukur pada nilai wajar melalui penghasilan komprehensif lain	(45.400)	76.116	-	(3.730)	26.986	Unrealized gain on financial assets measured at fair value through other comprehensive income
Cadangan lainnya	14.502	-	(1.121)	-	13.381	Others provision
Sewa	1.777	-	(2.791)	-	(1.014)	Lease
Cadangan imbalan kerja	60.387	(21.945)	6.064	4.359	48.865	Provision for employee benefit
Aset pajak tangguhan	627.211	54.171	(138.579)	(40.565)	502.238	Deferred tax assets

22. TAXATION (continued)

g. Deferred tax assets:

	31 Desember/ December 31, 2020	Dibebankan ke penghasilan komprehensif lain/ Charged to other comprehensive income	Dikreditkan ke laporan laba rugi/ Credited to statement of profit or loss	31 Desember/ December 31, 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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

22. PERPAJAKAN (lanjutan)

h. Perubahan tarif pajak

Berdasarkan pasal 17 ayat 2 Undang-undang No.7 tahun 1983 mengenai "Pajak Penghasilan" yang telah diubah untuk keempat kalinya dengan Undang-undang No.36 tahun 2008, tarif Pajak Penghasilan Badan sebesar 25%. Namun demikian berdasarkan Undang-undang No.36 tahun 2008 tanggal 23 September 2008, Peraturan Pemerintah No.81 tahun 2007 tanggal 28 Desember 2007 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka" dan Peraturan Menteri Keuangan No.238/PMK.03/2008 tanggal 30 Desember 2008 tentang "Tata Cara Pelaksanaan dan Pengawasan Pemberian Penurunan Tarif Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka".

Pada akhir tahun 2013, Peraturan Pemerintah No.81 Tahun 2007 tanggal 28 Desember 2007 telah diubah dengan Peraturan Pemerintah (PP) No.77 Tahun 2013 tanggal 21 November 2013 yang kemudian diubah dengan Peraturan Pemerintah (PP) No.56 Tahun 2015 tanggal 3 Agustus 2015 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka", yang mengatur bahwa wajib pajak dalam negeri yang berbentuk perseroan terbuka dapat memperoleh penurunan tarif pajak penghasilan sebesar 5% (lima persen) lebih rendah dari tarif pajak penghasilan wajib pajak badan dalam negeri bila memenuhi persyaratan sebagai berikut: (a) paling sedikit 40% (empat puluh persen) dari jumlah keseluruhan saham yang disetor dicatat untuk diperdagangkan di Bursa Efek Indonesia, (b) saham tersebut harus dimiliki oleh paling sedikit 300 pihak, (c) masing-masing pihak tersebut hanya boleh memiliki saham kurang dari 5% (lima persen) dari keseluruhan saham ditempatkan dan disetor penuh, dan (d) ketentuan sebagaimana dimaksud di atas harus dipenuhi dalam waktu paling singkat 183 (seratus delapan puluh tiga) hari kalender dalam jangka waktu 1 (satu) tahun pajak. Ketentuan mengenai tata cara pelaksanaan dan pengawasan pemberian penurunan tarif pajak penghasilan di atas akan diatur dengan Peraturan Pemerintah (PP).

22. TAXATION (continued)

h. Changes in tax rate

Under article 17, paragraph 2 of Law No.7 year 1983 regarding "Income Tax" which has been amended for the fourth time with the Law No.36 year 2008, the corporate income tax rate is 25%. However, based on Law No.36 year 2008 dated September 23, 2008, Government Regulation No.81 year 2007 dated December 28, 2007 regarding "Reduction on Income Tax Rate for Domestic Listed Companies" and the Ministry of Finance Regulation No.238/PMK.03/2008 dated December 30, 2008 regarding "Implementation and Monitoring Procedures for Granting Reduction Rates for Domestic Listed Companies".

At end of 2013, Government Regulation No.81 Year 2007 dated December 28, 2007 was amended by Government Regulation (PP) No.77 Year 2013 dated November 21, 2013 which was amended with Government Regulation (PP) No.56 Year 2015 dated August 3, 2015 regarding "Reduction on Income Tax Rate for Domestic Listed Companies", which regulates that domestic listed companies can obtain reduction on income tax rate at 5% (five percent) lower than income tax rate of domestic companies tax payers if the following criterias are met: (a) at least 40% (fourty percent) of the total issued shares are traded in Indonesia Stock Exchange, (b) the shares are owned by at least 300 parties, (c) each party can only own lower than 5% (five percent) of the total issued and fully paid shares, and (d) the above requirements must be fulfilled at the minimum of 183 (one hundred eighty three) calendar days in a period of 1 (one) fiscal year. Regulation on application and supervision of the reduction on income tax rate will be provided in the Government Regulation.

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

22. 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%.

Tahun 2022, Bank menyampaikan pembetulan SPT ke-1 SPT PPh Badan tahun pajak 2019 kepada Kantor Pelayanan Pajak (KPP) karena pembetulan saldo awal PPAP tahun pajak 2019 akibat hasil pemeriksaan tahun pajak 2018. Dalam pembetulan SPT tersebut, Bank menyatakan lebih bayar sebesar Rp119.311 (2019). 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 Perpajakan sebagaimana telah diubah dengan Peraturan Menteri Keuangan nomor 184/PMK.03/2015 melalui Pemberitahuan Pemeriksaan Lapangan tanggal 4 Januari 2022 nomor PEMB-00001/WPJ.07/KP.0804/RIK.SIS/2022, Surat Perintah Pemeriksaan tanggal 28 Juli 2022 nomor PRIN-00001/WPJ.07/KP.0804/RIK.SIS/2022 atas permohonan restitusi lebih bayar di atas dengan hasil pemeriksaan melalui Risalah Pembahasan nomor SP2: PRIN-00001/WPJ.07/KP.0804/RIK.SIS/2022 tanggal 06 Oktober 2022 atas hasil pemeriksaan tersebut, Bank dinyatakan Rp104.878 (2019) serta melalui surat Kantor Pelayanan Pajak (KPP) nomor S-REK-469/WPJ.07/KP.0803/2022 tanggal 12 Oktober 2022 perihal Permintaan Rekening Dalam Negeri maka selanjutnya Kantor Pelayanan Pajak (KPP) melakukan pencairan pengembalian kelebihan pembayaran pajak pada tanggal 21 Oktober 2022 atas PPh Badan Tahun Pajak 2019.

22. 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%.

In 2022, the Bank submitted first revision of Annual Corporate Income Tax Return for fiscal year 2019 to tax authority because of the correction of the initial balance of PPAP for fiscal year 2019 due to the results of the 2018 tax year inspection. In the revision of Annual Corporate Income Tax Return, the Bank declared an overpayment of Rp119.311 (2019). 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 n Audit Warrant dated 4 January 2022 number PEMB-00001/WPJ.07/KP.0804/RIK.SIS/2022, Field Inspection Notification Letter number PRIN-00001/WPJ.07/KP.0804/RIK.SIS/2022 dated 28 July 2022 on the request for overpayment restitution above and with the results of the examination through the Discussion number SP2: PRIN-00001/WPJ.07/KP.0804/RIK.SIS/2022 dated October 6, 2022 on the results of the examination, the Bank was declared an overpayment of Rp104.878 (2019) in accordance with the Tax Service Office (KPP) letter number S-REK-469/WPJ.07/KP.0803/2022 dated October 12, 2022 regarding Domestic Account Requests, then the Tax Service Office (KPP) will carry out disbursement of tax overpayment returns on October 21, 2022 for Corporate Income Tax in 2019.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

22. PERPAJAKAN (lanjutan)

h. Perubahan tarif pajak (lanjutan)

Pada 18 Mei 2020, Presiden Republik Indonesia mengeluarkan Undang-undang Nomor 2 Tahun 2020 tentang Penetapan Peraturan Pemerintah Pengganti Undang-Undang Nomor 1 Tahun 2020 tentang Kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan untuk Penanganan Pandemi Corona Virus Disease 2019 (Covid-19) dan/atau Dalam Rangka Menghadapi Ancaman yang Membahayakan Perekonomian Nasional dan/atau Stabilitas Sistem Keuangan Menjadi Undang-Undang pasal 5 menyebutkan bahwa adanya penyesuaian tarif Pajak Penghasilan Wajib Pajak Badan dalam negeri dan bentuk usaha tetap menjadi (a) sebesar 22% (dua puluh dua persen) yang berlaku pada Tahun Pajak 2020 dan Tahun Pajak 2021. Kemudian berubah menjadi (b) sebesar 20% (dua puluh persen) yang mulai berlaku pada Tahun Pajak 2022. Pada pasal 5 ayat 2 bagi Wajib Pajak dalam negeri berbentuk Perseroan Terbuka dengan jumlah keseluruhan saham yang disetor diperdagangkan pada bursa efek di Indonesia paling sedikit 40% (empat puluh persen), dan memenuhi persyaratan tertentu dapat memperoleh tarif 3% (tiga persen) lebih rendah dari tarif yang dimaksud pada huruf (a) dan (b).

Pada tanggal 29 Oktober 2021, Presiden Republik Indonesia mengeluarkan Undang-Undang Nomor 7 Tahun 2021 tentang Harmonisasi Peraturan Perpajakan dengan tarif Wajib Pajak badan dalam negeri dan bentuk usaha tetap sebesar 22% yang mulai berlaku pada tahun pajak 2022. Wajib Pajak badan dalam negeri berbentuk (a) perseroan terbuka, (b) jumlah keseluruhan saham yang disetor diperdagangkan pada bursa efek di Indonesia paling sedikit 40% dan (c) memenuhi persyaratan tertentu dapat memperoleh tarif sebesar 3% lebih rendah dari tarif yang sebagaimana dimaksud. Terkait hal tersebut, diatur oleh Peraturan Pemerintah (PP) Nomor 55 Tahun 2022 tentang Penyesuaian Pengaturan di Bidang Pajak Penghasilan yang menyebutkan bahwa tarif pajak penghasilan dalam negeri dan bentuk usaha tetap adalah sebesar (a) 22% yang berlaku pada Tahun Pajak 2020 dan 2021 dan (b) 22% yang mulai berlaku pada Tahun pajak 2022 (sesuai dengan ketentuan Undang-undang nomor 7 Tahun 2021 tentang Harmonisasi Peraturan Perpajakan).

22. TAXATION (continued)

h. Changes in tax rate (continued)

On May 18, 2020, the President of the Republic of Indonesia issued Law Number 2 of 2020 concerning the Stipulation of Government Regulation in Lieu of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability for Handling the Corona Virus Disease 2019 (Covid-19) Pandemic and/ or In the Context of Facing Threats that Endanger the National Economy and/or Financial System Stability to Become Law. Article 5 states that there is an adjustment in the income tax rate for domestic corporate taxpayers and permanent establishments to become (a) 22% (twenty two percent) which applies in the 2020 Fiscal Year and 2021 Fiscal Year. Then it changes to (b) 20 % (twenty percent) which will take effect in the 2022 Fiscal Year. In article 5 paragraph 2 for domestic Taxpayers in the form of Public Companies with the total number of paid-up shares traded on the stock exchange in Indonesia at least 40% (forty percent), and fulfilling certain requirements may obtain a tariff of 3% (three percent) lower than the rate referred to in letters (a) and (b).

On October 29, 2021, the President of the Republic of Indonesia issued Law Number 7 of 2021 concerning Harmonization of Tax Regulations with a tax rate for domestic entities and permanent establishments of 22% which will take effect in the 2022 fiscal year. Domestic corporate taxpayers are in the form of (a) a public company, (b) the total number of paid-up shares is traded on the stock exchange in Indonesia at least 40% and (c) fulfilling certain requirements can obtain a rate of 3% lower than the rate referred to. In this regard, it is regulated by Government Regulation (PP) Number 55 of 2022 concerning Adjustment of Arrangements in the Income Tax Sector which states that the domestic income tax rate and permanent establishment is (a) 22% which applies in the 2020 and 2021 Fiscal Years and (b) 22% which will take effect in the 2022 tax year (in accordance with the provisions of Law number 7 of 2021 concerning Harmonization of Tax Regulations).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. PERPAJAKAN (lanjutan)

h. Perubahan tarif pajak (lanjutan)

Wajib pajak badan dalam negeri adalah berbentuk (a) perseroan terbuka, (b) dengan jumlah keseluruhan saham yang disetor diperdagangkan pada bursa efek di Indonesia paling rendah 40% dan (c) memenuhi persyaratan tertentu dapat memperoleh tarif sebesar 3% lebih rendah dari tarif yang sebagaimana dimaksud diatas. Persyaratan tertentu yang dimaksud adalah (a) saham harus dimiliki oleh paling sedikit 300 pihak, (b) masing-masing pihak hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham yang ditempatkan dan disetor penuh, (c) ketentuan sebagaimana dimaksud diatas harus dipenuhi dalam jangka waktu paling singkat 183 hari kalender dalam jangka waktu 1 tahun pajak.

Berdasarkan surat keterangan No.DE/II/2023-0190 tanggal 4 Januari 2023 tentang laporan bulanan kepemilikan saham berupa Lampiran POJK Nomor 10/POJK.04/2020 dari Biro Administrasi Efek, Datindo Entrycom atas kepemilikan saham Bank selama tahun 2022, semua kriteria di atas untuk memperoleh fasilitas penurunan tarif pajak tersebut atas laporan keuangan Bank untuk tahun yang berakhir pada tanggal 31 Desember 2022 telah dipenuhi.

Manajemen akan terus melakukan pemantauan terkait pemenuhan persyaratan penurunan tarif sebagaimana disebutkan di atas. Manajemen berkeyakinan bahwa Bank telah memenuhi semua persyaratan untuk memperoleh fasilitas penurunan tarif pajak penghasilan

Sehubungan dengan hal tersebut, pajak penghasilan badan untuk posisi 31 Desember 2022 telah dihitung menggunakan tarif pajak 19%.

22. TAXATION (continued)

h. Changes in tax rate (continued)

Domestic corporate taxpayers are in the form of (a) a public company, (b) with the total number of paid-up shares traded on the stock exchange in Indonesia at a minimum of 40% and (c) fulfilling certain requirements can obtain a rate of 3% lower than the rate stipulated as referred to above. The specific requirements referred to are (a) shares must be owned by at least 300 parties, (b) each party can only own shares of less than 5% of the total issued and fully paid shares, (c) the above requirements must be fulfilled at the minimum of 183 (one hundred eighty three) calendar days in a period of 1 (one) fiscal year.

Based on Letter No.DE/II/2023-0190 dated January 4, 2023 regarding the monthly report of shares ownerships, form of Attachment to POJK Number 10/POJK.04/2020 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of Bank's shares during 2022, all of the above mentioned required criteria to obtain the tax rate reduction on Bank's financial statements for the year ended December 31, 2022 were fulfilled by Bank.

Management will continue to monitor related to meeting the tariff reduction requirements as mentioned above. Management believes that the Bank has fulfill all the requirements to obtain the reduction on income tax rate facility.

In relation with the matter above, corporate income tax for the position of December 31, 2022 has been calculated using a tax rate of 19%.

23. BEBAN YANG MASIH HARUS DIBAYAR

	2022
Cadangan jasa produksi	385.706
Bunga	135.134
Jumlah	520.840

23. ACCRUED EXPENSES

	2021	
	380.767	Employee bonuses
	97.880	Interest
	478.647	Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

24. LIABILITAS LAIN-LAIN

24. OTHER LIABILITIES

	2022		2021		
	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah/ equivalent	Jumlah nosional mata uang asing/ Notional amount foreign currencies (Dalam angka penuh/ In full amount)	Ekuivalen Rupiah/ Rupiah/ equivalent	
Rupiah					Rupiah
Cadangan imbalan kerja		257.184		317.828	Provision of employee benefit
Setoran jaminan		132.236		117.527	Security deposits
Liabilitas sewa		23.322		44.433	Lease liabilities
Pokok kredit penerusan yang diterima		7.683		8.643	Principal - channeling loans received
Bunga kredit penerusan yang diterima		3.592		3.522	Interest - channeling loans received
Provisi dan administrasi kredit		-		8.971	Provision and credit administration
Estimasi kerugian komitmen dan kontinjensi		3.020		117	Estimated losses on commitments and contingencies
Lainnya		1.390		26.689	Others
		<u>428.427</u>		<u>527.730</u>	
Mata uang asing					Foreign currencies
Lainnya					Other
Dolar Amerika Serikat	2.526.096	39.325	100.400	1.431	United States Dollar
Dolar Singapore	305.187	3.538	51.729	546	Singapore Dollar
Dolar Hong Kong	10.017	20	10.394	19	Hong Kong Dollar
Yen Jepang	-	-	96.774	12	Japanese Yen
Euro	44.869	744	-	-	Euro
		<u>43.627</u>		<u>2.008</u>	
Jumlah		<u>472.054</u>		<u>529.738</u>	Total

Estimasi kerugian komitmen dan kontinjensi adalah sebagai berikut:

Estimated losses on commitments and contingencies are as follows:

	2022	2021	
Saldo awal tahun	117	4.280	Balance at beginning of year
Pembentukan (pemulihan) tahun berjalan	2.903	(4.163)	Allowance (recovery) during the year
Saldo akhir tahun	<u>3.020</u>	<u>117</u>	Balance at end of year

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. DANA SYIRKAH TEMPORER

- a. Giro Mudharabah
1) Berdasarkan jenis produk

	2022	2021
Bukan Bank		
Giro iB Hasanah (Mudharabah)	1.637	2.920
	1.637	2.920
Bank		
Giro iB Hasanah (Mudharabah)	-	-
Total	1.637	2.920

Non-Bank
iB Hasanah (Mudharabah)
current accounts

Bank
iB Hasanah (Mudharabah)
current accounts
Total

- 2) Berdasarkan hubungan

	2022	2021
Bukan Bank		
Pihak ketiga	1.637	2.920
	1.637	2.920
Bank		
Pihak ketiga	-	-
Total	1.637	2.920

Non-Bank
Third parties

Bank
Third parties
Total

- 3) Nisbah dan tingkat bagi hasil
Nisbah dan tingkat bagi hasil rata-rata giro mudharabah untuk tahun yang berakhir pada 31 Desember 2022 adalah sebagai berikut:

- 3) *Ratio and profit sharing rate*
The average rate of ratio and profit sharing for mudharabah current accounts for the year ended December 31, 2022 are as follows:

	2022	
	Nisbah/Ratio	Tingkat bagi hasil/Profit sharing rate
Giro Mudharabah	5,00%	0,47%

Mudharabah current accounts

- b. Tabungan Mudharabah
1) Berdasarkan jenis produk

- b. *Mudharabah Savings Deposits*
1) *By product*

	2022	2021
Bukan Bank		
Tabungan iB Hasanah (Mudharabah)	594,597	572,158
	594,597	572,158
Bank		
Tabungan iB Hasanah (Mudharabah)	19,285	45,783
Total	613,882	617,941

Non-Bank
iB Hasanah (Mudharabah)
savings deposits

Bank
iB Hasanah (Mudharabah)
savings deposits
Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

25. DANA SYIRKAH TEMPORER (lanjutan)

- b. Tabungan Mudharabah (lanjutan)
2) Berdasarkan jenis produk

	2022	2021
Bukan Bank		
Pihak berelasi	972	924
Pihak ketiga	593.625	571.234
	594.597	572.158
Bank		
Pihak ketiga	19.285	45.783
Total	613.882	617.941

Non-Bank
Related parties
Third parties

Bank
Third parties

Total

- 3) Nisbah dan tingkat bagi hasil
Nisbah dan tingkat bagi hasil rata-rata tabungan mudharabah untuk tahun yang berakhir pada 31 Desember 2022 adalah sebagai berikut:

	2022	
	Nisbah/Ratio	Tingkat bagi hasil/Profit
Tabungan Barokah Sejahtera	4.00%	0.38%
Tabungan Pensiun IB Barokah	15.00%	1.42%
Tabungan Rencana IB Barokah	25.00%	2.37%
Tabungan Haji Amanah	10.00%	0.95%
Tabungan Mudh Bank Lain	8.00%	0.76%
Tabungan Barokah	12.50%	1.19%

Barokah Sejahtera savings deposits
Pensiun IB Barokah saving deposits
Rencana IB Barokah savings deposits
Haji Amanah savings deposits
Mudh Other Bank savings deposits
Barokah savings deposits

- c. Deposito Mudharabah
1) Berdasarkan hubungan

	2022	2021
Bukan Bank		
Pihak berelasi	1.330	2.097
Pihak ketiga	1.244.128	1.236.007
	1.245.458	1.238.104
Bank		
Pihak ketiga	9.000	6.400
Total	1.254.458	1.244.504

Non-Bank
Related parties
Third parties

Bank
Third parties

Total

- 2) Berdasarkan jangka waktu kontrak

	2022	2021
Bukan Bank		
<1 bulan	1.057.791	1.148.667
1 - <3 bulan	75.331	35.191
3 - <6 bulan	18.479	6.387
6 - 12 bulan	93.857	47.859
	1.245.458	1.238.104
Bank		
<1 bulan	6.500	5.400
1 - <3 bulan	2.500	1.000
Total	1.254.458	1.244.504

Non-Bank
 <1 month
 1 - <3 months
 3 - <6 months
 6 - 12 months

Bank
 <1 month
 1 - <3 months

Total

25. TEMPORARY SYIRKAH FUNDS (continued)

- b. Mudharabah Savings Deposits (continued)
2) By product

- 3) Ratio and profit sharing rate
The average rate of ratio and profit sharing for mudharabah savings deposits for the year ended December 31, 2022 are as follows:

- c. Mudharabah Time Deposits
1) By relationship

- 2) By contractual period

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. DANA SYIRKAH TEMPORER (lanjutan)

- c. Deposito Mudharabah (lanjutan)
3) Berdasarkan sisa umur jatuh tempo

Bukan Bank
<1 bulan
1 - <3 bulan
3 - <6 bulan
6 - 12 bulan

Bank
<1 bulan
1 - <3 bulan

Total

2022	2021
1.087.576	532.069
59.380	651.288
29.431	6.888
69.071	47.859
1.245.458	1.238.104
6.500	5.400
2.500	1.000
1.254.458	1.244.504

Non-Bank
<1 month
1 - <3 months
3 - <6 months
6 - 12 months

Bank
<1 month
1 - <3 months

Total

- 4) Nisbah dan tingkat bagi hasil
Nisbah dan tingkat bagi hasil rata-rata deposito mudharabah untuk tahun yang berakhir pada 31 Desember 2022 adalah sebagai berikut:

- 4) *Ratio and profit sharing rate*
The average rate of ratio and profit sharing for mudharabah time deposits for the year ended December 31, 2022 are as follows:

	2022	
	Nisbah/Ratio	Tingkat bagi hasil/Profit
1 bulan	36,00%	3,42%
3 bulan	38,00%	3,61%
6 bulan	41,00%	3,89%
12 bulan	42,50%	4,03%

1 month
3 months
6 months
12 months

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

26. MODAL SAHAM

Pemegang saham Bank, jumlah saham yang ditempatkan dan disetor, dan saldo yang terkait pada tanggal 31 Desember 2022 dan 2021, adalah sebagai berikut:

a. Modal dasar

Modal dasar Bank pada tanggal 31 Desember 2022 dan 2021 adalah sebagai berikut:

	Jumlah saham/ Number of shares
Saham Seri A	24.000.000.000
Saham Seri B	12.000.000.000
Jumlah	36.000.000.000

Saham Seri A dan Seri B, masing-masing dengan nilai nominal Rp250 per saham (Rupiah penuh).

- Modal dasar Bank semula adalah sebesar Rp2.500.000 yang terbagi atas Rp2.250.000 saham seri A dan Rp250.000 saham seri B dengan nominal per lembar saham Rp1 berdasarkan akta No. 56 tanggal 17 April 2008 dan disahkan oleh Notaris Untung Darnosoewirjo, S.H. Modal dasar ditingkatkan menjadi Rp9.000.000 yang terbagi atas Rp6.000.000 saham seri A dan Rp3.000.000 saham seri B dengan nilai nominal per lembar saham Rp250 (Rupiah penuh). Terkait dengan peningkatan modal dasar tersebut, Bank telah memperoleh persetujuan perubahan Anggaran Dasar dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-22728.AH.01.02.Tahun 2012 pada tanggal 30 April 2012.

26. SHARE CAPITAL

The Bank's shareholders, the number of authorized, issued and paid-up shares and the related balances as of December 31, 2022 and 2021 were as follows:

a. Authorized capital

The Bank's authorized capital as of December 31, 2022 and 2021 were as follows:

	Rupiah/ Rupiah	
	6.000.000	Series A Shares
	3.000.000	Series B Shares
	9.000.000	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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

26. MODAL SAHAM (lanjutan)

a. Modal dasar

Saham Seri A dan Seri B, masing-masing dengan nilai nominal Rp250 per saham (Rupiah penuh).

- Berdasarkan Berita Acara Rapat Pemegang Saham Luar Biasa No. 19 tanggal 19 Maret 2012, sebagaimana dituangkan dalam Akta Notaris No. 19 tanggal 19 Maret 2012, yang dibuat dihadapan Notaris Wachid Hasyim, S.H., para pemegang saham menyetujui untuk mengkonversi saldo laba yang telah ditentukan penggunaannya sebesar Rp1.310.000 ke modal ditempatkan dan disetor penuh setelah modal dasar Bank ditingkatkan menjadi Rp9.000.000, secara proporsional berdasarkan jumlah saham yang dimiliki oleh masing-masing pemegang saham dengan nilai nominal Rp250 (Rupiah penuh) per lembar saham, sehingga sisa hasil konversi yang tidak habis dibagi Rp250 (Rupiah penuh) akan dikembalikan kepada masing-masing pemegang saham.
- Pada tanggal 12 Juli 2012 saham Bank secara resmi telah tercatat di Bursa Efek Indonesia. Jumlah saham Bank yang tercatat di Bursa Efek Indonesia sebanyak 14.768.508.132 saham atau 99% dari jumlah saham Bank. Saham yang tercatat merupakan saham seri A sebanyak 11.784.971.132 dan saham seri B sebanyak 2.983.537.000 saham. Sementara 149.176.850 saham atau 1% sisanya tidak dicatatkan di Bursa Efek Indonesia untuk memenuhi Peraturan Pemerintah No.29 tahun 1999 tentang Pembelian Saham Bank Umum.

b. Jumlah saham seri A yang ditempatkan dan disetor penuh pada tanggal 31 Desember 2022 dan 2021 sebagai berikut (Rupiah penuh):

Pemecahan nilai nominal dari
Rp1.000.000 per saham menjadi
Rp250 per saham

Konversi cadangan umum

Jumlah saham pada akhir tahun

6.694.148.000

5.239.999.982

11.934.147.982

c. Jumlah saham seri B yang ditempatkan dan disetor penuh pada tanggal 31 Desember 2022 dan 2021 adalah 3.081.350.100 lembar saham (Rupiah penuh).

26. SHARE CAPITAL (continued)

a. Authorized capital

Series A and B shares with par value of Rp250 per share (full Rupiah).

- Based on minutes of Extraordinary Meeting Shareholders' No. 19 dated March 19, 2012, as stated in Notarial Deed No. 19 dated March 19, 2012 of Wachid Hasyim, S.H., the shareholders agreed to convert the appropriated retained earnings of Rp1,310,000 to issued and fully paid capital after the authorized capital of the Bank has been increased to be Rp9,000,000, proportionally based on the number of shares held 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 each 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, 2022 and 2021, 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, 2022 and 2021 are 3,081,350,100 shares (full Rupiah).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. MODAL SAHAM (lanjutan)

d. Susunan pemegang saham

26. SHARE CAPITAL (continued)

d. Composition of shareholders

	2022			
Pemegang saham	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	Shareholders
Seri A				Series A
Pemerintah Provinsi Jawa Timur	7.676.913.648	51,13%	1.919.228	Government of East Java Province
Pemerintah Kabupaten:				Government of Regencies:
Kabupaten Sidoarjo	370.155.850	2,47%	92.539	Regency of Sidoarjo
Kabupaten Bojonegoro	300.288.632	2,00%	75.072	Regency of Bojonegoro
Kabupaten Banyuwangi	270.036.117	1,80%	67.509	Regency of Banyuwangi
Kabupaten Malang	253.635.445	1,69%	63.409	Regency of Malang
Kabupaten Gresik	220.213.170	1,47%	55.053	Regency of Gresik
Kabupaten Tuban	217.418.404	1,45%	54.355	Regency of Tuban
Kabupaten Ngawi	215.763.995	1,44%	53.941	Regency of Ngawi
Kabupaten Kediri	144.925.510	0,97%	36.231	Regency of Kediri
Kabupaten Sumenep	144.228.431	0,96%	36.057	Regency of Sumenep
Kabupaten Kraksaan	125.931.454	0,84%	31.483	Regency of Kraksaan
Kabupaten Jember	111.866.875	0,75%	27.967	Regency of Jember
Kabupaten Lamongan	101.318.315	0,67%	25.330	Regency of Lamongan
Kabupaten Sampang	101.175.235	0,67%	25.294	Regency of Sampang
Kabupaten Bondowoso	87.207.357	0,58%	21.802	Regency of Bondowoso
Kabupaten Trenggalek	84.640.532	0,56%	21.160	Regency of Trenggalek
Kabupaten Mojokerto	78.373.801	0,52%	19.593	Regency of Mojokerto
Kabupaten Nganjuk	77.217.854	0,51%	19.304	Regency of Nganjuk
Kabupaten Situbondo	76.374.593	0,51%	19.094	Regency of Situbondo
Kabupaten Tulungagung	70.697.975	0,47%	17.674	Regency of Tulungagung
Kabupaten Lumajang	67.206.045	0,45%	16.802	Regency of Lumajang
Kabupaten Pacitan	53.520.271	0,36%	13.380	Regency of Pacitan
Kabupaten Pasuruan	44.610.500	0,30%	11.153	Regency of Pasuruan
Kabupaten Pamekasan	40.592.928	0,27%	10.148	Regency of Pamekasan
Kabupaten Blitar	39.496.395	0,26%	9.874	Regency of Blitar
Kabupaten Bangkalan	36.793.459	0,25%	9.198	Regency of Bangkalan
Kabupaten Madiun	32.660.478	0,22%	8.165	Regency of Madiun
Kabupaten Jombang	26.792.899	0,18%	6.698	Regency of Jombang
Kabupaten Ponorogo	23.555.596	0,16%	5.889	Regency of Ponorogo
Kabupaten Magetan	19.594.792	0,13%	4.899	Regency of Magetan
Pemerintah Kota:				Government of Municipalities:
Kota Surabaya	319.243.457	2,13%	79.812	Municipality of Surabaya
Kota Madiun	134.064.427	0,89%	33.516	Municipality of Madiun
Kota Malang	108.635.999	0,72%	27.159	Municipality of Malang
Kota Pasuruan	100.075.767	0,67%	25.019	Municipality of Pasuruan
Kota Mojokerto	72.091.751	0,48%	18.023	Municipality of Mojokerto
Kota Batu	38.236.741	0,25%	9.559	Municipality of Batu
Kota Probolinggo	17.397.927	0,12%	4.349	Municipality of Probolinggo
Kota Blitar	16.987.084	0,11%	4.247	Municipality of Blitar
Kota Kediri	14.208.273	0,09%	3.552	Municipality of Kediri
	11.934.147.982	79,48%	2.983.537	
Seri B				Series B
Komisaris:				Commissioner:
- Heru Tjahjono	274.200	0,00%	69	Heru Tjahjono -
Direksi:				Directors:
- Busrul Iman	1.946.500	0,01%	487	Busrul Iman -
- Tonny Prasetyo	628.500	0,00%	157	Tonny Prasetyo -
- R Arief Wicaksono	126.300	0,00%	32	R Arief Wicaksono -
Masyarakat (kepemilikan masing-masing dibawah 5%)	3.078.374.600	20,50%	769.594	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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. MODAL SAHAM (lanjutan)

d. Susunan pemegang saham (lanjutan)

26. SHARE CAPITAL (continued)

d. Composition of shareholders (continued)

	2021			
Pemegang saham	Jumlah lembar saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership	Jumlah modal disetor/ Total paid-in capital	Shareholders
Seri A				Series A
Pemerintah Provinsi Jawa Timur	7.676.913.648	51,13%	1.919.228	Government of East Java Province
Pemerintah Kabupaten:				Government of Regencies:
Kabupaten Sidoarjo	370.155.850	2,47%	92.539	Regency of Sidoarjo
Kabupaten Bojonegoro	300.288.632	2,00%	75.072	Regency of Bojonegoro
Kabupaten Banyuwangi	270.036.117	1,80%	67.509	Regency of Banyuwangi
Kabupaten Malang	253.635.445	1,69%	63.409	Regency of Malang
Kabupaten Gresik	220.213.170	1,47%	55.053	Regency of Gresik
Kabupaten Tuban	217.418.404	1,45%	54.355	Regency of Tuban
Kabupaten Ngawi	215.763.995	1,44%	53.941	Regency of Ngawi
Kabupaten Kediri	144.925.510	0,97%	36.231	Regency of Kediri
Kabupaten Sumenep	144.228.431	0,96%	36.057	Regency of Sumenep
Kabupaten Kraksaan	125.931.454	0,84%	31.483	Regency of Kraksaan
Kabupaten Jember	111.866.875	0,75%	27.967	Regency of Jember
Kabupaten Lamongan	101.318.315	0,67%	25.330	Regency of Lamongan
Kabupaten Sampang	101.175.235	0,67%	25.294	Regency of Sampang
Kabupaten Bondowoso	87.207.357	0,58%	21.802	Regency of Bondowoso
Kabupaten Trenggalek	84.640.532	0,56%	21.160	Regency of Trenggalek
Kabupaten Mojokerto	78.373.801	0,52%	19.593	Regency of Mojokerto
Kabupaten Nganjuk	77.217.854	0,51%	19.304	Regency of Nganjuk
Kabupaten Situbondo	76.374.593	0,51%	19.094	Regency of Situbondo
Kabupaten Tulungagung	70.697.975	0,47%	17.674	Regency of Tulungagung
Kabupaten Lumajang	67.206.045	0,45%	16.802	Regency of Lumajang
Kabupaten Pacitan	53.520.271	0,36%	13.380	Regency of Pacitan
Kabupaten Pasuruan	44.610.500	0,30%	11.153	Regency of Pasuruan
Kabupaten Pamekasan	40.592.928	0,27%	10.148	Regency of Pamekasan
Kabupaten Blitar	39.496.395	0,26%	9.874	Regency of Blitar
Kabupaten Bangkalan	36.793.459	0,25%	9.198	Regency of Bangkalan
Kabupaten Madiun	32.660.478	0,22%	8.165	Regency of Madiun
Kabupaten Jombang	26.792.899	0,18%	6.698	Regency of Jombang
Kabupaten Ponorogo	23.555.596	0,16%	5.889	Regency of Ponorogo
Kabupaten Magetan	19.594.792	0,13%	4.899	Regency of Magetan
Pemerintah Kota:				Government of Municipalities:
Kota Surabaya	319.243.457	2,13%	79.812	Municipality of Surabaya
Kota Madiun	134.064.427	0,89%	33.516	Municipality of Madiun
Kota Malang	108.635.999	0,72%	27.159	Municipality of Malang
Kota Pasuruan	100.075.767	0,67%	25.019	Municipality of Pasuruan
Kota Mojokerto	72.091.751	0,48%	18.023	Municipality of Mojokerto
Kota Batu	38.236.741	0,25%	9.559	Municipality of Batu
Kota Probolinggo	17.397.927	0,12%	4.349	Municipality of Probolinggo
Kota Blitar	16.987.084	0,11%	4.247	Municipality of Blitar
Kota Kediri	14.208.273	0,09%	3.552	Municipality of Kediri
	11.934.147.982	79,48%	2.983.537	
Seri B				Series B
Komisaris:				Commissioner:
- 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%	768.180	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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. MODAL SAHAM (lanjutan)

e. Pembagian saldo laba

Berdasarkan Berita Acara Rapat Umum Pemegang Saham Tahunan, sebagaimana tercantum dalam akta No. 51 tanggal 17 Maret 2022 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, S.H. dan akta No. 01 tanggal 03 Mei 2021 yang dibuat oleh Notaris Sitaesmi Puspawati Subianto, S.H. para Pemegang Saham menyetujui pembagian laba neto untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020 sejumlah dan dengan penggunaan sebagai berikut:

	Laba tahun/ Net income year 2021	Laba tahun/ Net income year 2020	
Dividen tunai	782.457	733.508	Cash dividends
Cadangan umum	740.613	755.454	General reserve

Bank membentuk cadangan umum untuk memperkuat modal.

Based on decisions at Annual General Meetings Report as documented in notarial deeds No.51 dated March 17, 2022 of Sitaesmi Puspawati Subianto, S.H. And No.01 dated May 03, 2021 of Sitaesmi Puspawati Subianto, S.H. the shareholders agreed to distribute net income for the year ended December 31, 2021 and 2020 as follows:

Bank established the general reserve to strengthen capital.

27. TAMBAHAN MODAL DISETOR – NETO

Rincian tambahan modal disetor tanggal 31 Desember 2022 dan 2021, adalah sebagai berikut:

	2022
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	(27.668)
Agio saham dari IPO	509.369

27. OTHER PAID-IN CAPITAL – NET

Details of other paid in capital as of December 31, 2022 and 2021 as follows:

	2021	
Share premium from Initial Public Offering (IPO)	509.369	
Stock option for Management and Employee Stock Option Plan (MESOP) program	23.365	
Total	532.734	

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	

PT BANK PEMBANGUNAN DAERAH**JAWA TIMUR Tbk****CATATAN ATAS LAPORAN KEUANGAN (lanjutan)****Tanggal 31 Desember 2022 dan 2021 dan****untuk tahun yang berakhir pada tanggal-tanggal tersebut****(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)****PT BANK PEMBANGUNAN DAERAH****JAWA TIMUR Tbk****NOTES TO THE FINANCIAL STATEMENTS (continued)****As of December 31, 2022 dan 2021****and for the years then ended****(Expressed in millions of Rupiah, unless otherwise stated)****27. TAMBAHAN MODAL DISETOR – NETO (lanjutan)**

Program MESOP sebanyak 105.915.000 lembar dilaksanakan mulai tahun 2015 kepada manajemen dan karyawan Bank dan Program MESOP akan berakhir pada tahun 2020. Sampai dengan saat ini telah tereksekusi 97.813.100 lembar saham dari Program MESOP sehingga menghasilkan tambahan agio saham sebagai berikut:

Agio saham Program MESOP Tahap I	
Rp200 (Rupiah penuh) per saham	6.355
Tereksekusi 31.774.500 lembar	
Agio saham Program MESOP Tahap II	
Rp159 (Rupiah penuh) per saham	5.052
Tereksekusi 31.774.500 lembar	
Agio saham Program MESOP Tahap III	
Rp349 (Rupiah penuh) per saham	11.958
Tereksekusi 34.264.100 lembar	
Agio saham dari Program MESOP	23.365

Program MESOP Tahap I telah dilaksanakan tanggal 1 Agustus 2016 - 13 September 2016, tanggal 1 Februari 2017 - 13 Maret 2017, tanggal 1 Agustus 2017 - 13 September 2017, tanggal 1 Februari 2018 - 15 Maret 2018, tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, dan tanggal 1 Agustus 2019 - 11 September 2019 dengan harga Rp450 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 31.774.500 lembar saham atau 100% dari 31.774.500 hak opsi saham yang diberikan pada Tahap I dengan jumlah nominal sebesar Rp14.298.525.000 (Rupiah penuh).

Program MESOP Tahap II telah dilaksanakan tanggal 1 Agustus 2017 - 13 November 2017, dan tanggal 1 Februari 2018 - 15 Maret 2018, tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, tanggal 1 Agustus 2019 - 11 September 2019, dan tanggal 3 Februari 2020 - 16 Maret 2020 dengan harga Rp409 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 31.774.500 lembar saham atau 100% dari 31.774.500 hak opsi saham yang diberikan pada Tahap II dengan jumlah nominal sebesar Rp12.995.770.500 (Rupiah penuh).

Program MESOP Tahap III telah dilaksanakan tanggal 1 Agustus 2018 - 14 September 2018, tanggal 1 Februari 2019 - 18 Maret 2019, tanggal 1 Agustus 2019 - 11 September 2019, dan tanggal 3 Februari 2020 - 16 Maret 2020 dengan harga Rp599 per saham dan jumlah lembar saham yang dibeli oleh peserta yang memiliki hak opsi (MESOP) sebanyak 34.264.100 lembar saham atau 80,88% dari 42.366.000 hak opsi saham yang diberikan pada Tahap III dengan jumlah nominal sebesar Rp20.524.195.900 (Rupiah penuh).

27. OTHER PAID-IN CAPITAL – NET (continued)

MESOP Program as much as 105,915,000 shares, started 2015 to the management and employee of the Bank and will be expire in 2020. Up to now 97,813,100 MESOP shares have been executed, resulting shares agio additional:

Share Agio MESOP Program Phase I	
Rp200 (Rupiah) per share	
executed 31,774,500 shares.	
Share Agio MESOP Program Phase II	
Rp159 (Rupiah) per share	
executed 31,774,500 shares	
Share Agio MESOP Program Phase III	
Rp349 (Rupiah) per share	
executed 34,264,100 shares	
Share Agio MESOP Program	

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).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

28. PENERUSAN KREDIT

Bank mengadakan perjanjian dengan berbagai pihak penyedia dana untuk menyalurkan kredit ke sektor usaha tertentu yang ditetapkan oleh pihak penyedia dana. Bank tidak menanggung risiko atas kredit yang disalurkan tersebut, tetapi berkewajiban melaksanakan, menatausahakan dan mengelola dana kredit yang dikeluarkan dan sebagai imbalan Bank menerima jasa administrasi atas penerusan kredit sebesar 1% dari kredit yang disalurkan.

a. Bank Indonesia

Pada tanggal 26 November 1998, 21 November 1999 dan 11 Agustus 1999, Bank mengadakan perjanjian kerjasama dengan Bank Indonesia untuk menyalurkan kredit likuiditas Bank Indonesia, masing-masing dalam bentuk "Kredit Likuiditas Usaha Angkutan Umum Bus Perkotaan" (KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) dan "Kredit Usaha Tani" (KUT).

b. Pemerintah Provinsi Jawa Timur

Berdasarkan amandemen perjanjian No.518/6533/021/2016 dan No.054/088/IV/2016/PKS/DIR/KRD.AGR.RTL tanggal 18 April 2016, Bank mengadakan perjanjian kerjasama untuk jangka waktu 5 (lima) tahun dengan Pemerintah Provinsi Jawa Timur untuk menyalurkan dana bergulir sebagai tambahan modal kerja bagi usaha kecil, menengah dan koperasi dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur dalam rangka meningkatkan kegiatan Usaha Ekonomi Produktif Usaha Kecil Menengah dan Koperasi dan saat ini sedang dalam proses perpanjangan jangka waktu pinjaman.

c. Kementerian Koperasi dan Usaha Kecil dan Menengah

Bank sebagai penyalur dana bergulir yang bersumber dari dana APBN mengadakan Perjanjian Kerjasama dengan Kementerian Koperasi dan Usaha Kecil dan Menengah untuk Program Pengembangan Pengusaha Mikro dan Kecil, melalui:

- Penguatan modal Koperasi Simpan Pinjam (KSP) sektor agribisnis untuk mensukseskan program Pemerintah yang meliputi penyaluran, pemanfaatan, pengembalian serta terwujudnya peningkatan dan pengembangan usaha agribisnis anggota koperasi dan masyarakat berdasarkan perjanjian tanggal 19 Januari 2004 dengan jangka waktu 25 tahun.

28. CHANNELING LOANS

The Bank entered into agreements with lenders to distribute credit for certain business sectors as determined by the lenders. The Bank does not have any credit risk pertaining to the channeling loans, but it is responsible to implement, administer and manage the funds distributed and the Bank collects an administration fee for channeling loans of 1% of the loans disbursed.

a. Bank Indonesia

On November 26, 1998, November 21, 1999 and August 11, 1999, the Bank entered into cooperation agreements with Bank Indonesia to distribute liquidity credits on behalf of Bank Indonesia in the form of "Kredit Likuiditas Usaha Angkutan Umum Bus Perkotaan" (KUAUBP), "Kredit Kepada Pengusaha Kecil dan Pengusaha Mikro" (KPKM) and "Kredit Usaha Tani" (KUT).

b. Government of East Java Province

Based on an amendment agreement No.518/6533/021/2016 and No.054/088/IV/2016/PKS/DIR/KRD.AGR.RTL, dated April 18, 2016, the Bank entered into a 5 (five) years cooperation agreement with the Government of East Java Province to distribute revolving funds for additional working capital for Small and Medium Scale Enterprises and Cooperatives in order to assist the Government of East Java Province's program involving the improvement of Small and Medium Scale Enterprises and Cooperatives and currently in processing for loan period extension.

c. Ministry of Cooperatives and Small and Medium Scale Enterprises

Bank as a channeling of revolving funds sourced from APBN funds with Cooperation Agreement with Ministry of Cooperatives and Small and Medium Enterprises for Small and Micro Entrepreneur Development Program, through:

- *Strengthening the capital of cooperatives in the agribusiness sector in order to successfully implement the improvement programs for the members of cooperatives and society based on agreement dated January 19, 2004 for a period of 25 years.*

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

28. PENERUSAN KREDIT (lanjutan)

- c. Kementerian Koperasi dan Usaha Kecil dan Menengah (lanjutan)

- Program Penyediaan Modal dan Padanan (MAP) Awal bagi usaha kecil, menengah dan koperasi melalui KSP/USP koperasi dengan tujuan mengembangkan usaha UKM pada sentra yang belum tersedia pembiayaan secara memadai berdasarkan perjanjian tanggal 8 November 2003 dan perjanjian ini berakhir atas kesepakatan kedua belah pihak.

- d. Kementerian Keuangan Republik Indonesia

Pada tanggal 4 Agustus 1993, Bank mengadakan perjanjian kerjasama dengan Departemen Keuangan Republik Indonesia untuk meneruskan pinjaman Pemerintah dari *Islamic Development Bank* (IDB) dalam rangka membiayai proyek Rumah Sakit Islam Surabaya.

- e. Yayasan Dana Sejahtera Mandiri

Pada tanggal 19 Juli 1999, Bank mengadakan perjanjian kerjasama dengan para pihak, yaitu:

- 1) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Pertanian dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui pengembangan usaha agribisnis dengan Kredit Taskin Agribisnis.
- 2) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Koperasi Pengusaha Kecil dan Menengah dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui Usaha Kecil, Menengah dan Koperasi (UKMK) dengan Kredit Taskin UKMK.
- 3) Kantor Menteri Negara Koordinator Bidang Kesra dan Taskin, Departemen Perindustrian dan Perdagangan dan Yayasan Dana Sejahtera Mandiri (Yayasan Damandiri) - untuk menyelenggarakan kredit pengentasan kemiskinan melalui pengembangan industri kecil dan kerajinan rakyat dengan kredit Taskin Industri Kecil dan Kerajinan Rakyat (Taskin Inkra).

28. CHANNELING LOANS (continued)

- c. Ministry of Cooperatives and Small and Medium Scale Enterprises (continued)

- Initial capital and matching fund program for small and medium enterprise and cooperative through KSP/USP cooperative with the goal of developing UKM in the area that have not been adequately provided financing under the agreement dated November 8, 2003 and its expiration based on agreement of both parties.

- d. Finance Ministry of the Republic of Indonesia

On August 4, 1993, the Bank entered into a cooperation agreement with the Finance Department of the Republic of Indonesia. Under this agreement, the Bank will distribute Government loans from the Islamic Development Bank (IDB) to finance the development of the Surabaya Islamic Hospital.

- e. Dana Sejahtera Mandiri Foundation

On July 19, 1999, the Bank entered into cooperation agreements with the following parties:

- 1) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Agriculture Department and Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through agribusiness development involving loans in the form of Kredit Taskin Agribisnis.
- 2) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Cooperatives Department and Small and Medium Scale Enterprises Division and the Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through Small and Medium Scale Enterprises and Cooperatives (Usaha Kecil, Menengah dan Koperasi-UKMK) involving loans in the form of Kredit Taskin UKMK.
- 3) The Coordinating Minister for People's Welfare and Poverty Eradication Division, the Industrial and Trading Department and Dana Sejahtera Mandiri Foundation (Yayasan Damandiri) - to manage loans for poverty eradication through small scale industry and home industry development involving loans in the form of Kredit Taskin Industri Kecil dan Kerajinan Rakyat (Taskin Inkra).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

28. PENERUSAN KREDIT (lanjutan)

- f. Dinas Koperasi dan Pengusaha Kecil dan Menengah Provinsi Jawa Timur

Bank mengadakan perjanjian kerjasama untuk jangka waktu 5 tahun dengan Dinas Koperasi Pengusaha Kecil dan Menengah Provinsi Jawa Timur untuk menyalurkan dana bergulir yang bersumber dari Anggaran Pendapatan Belanja Daerah (APBD) Propinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur yang meliputi penyaluran kredit dan penggunaan dana, pembinaan, pemantauan dan pengawasan, pengembalian serta pemanfaatan dana bergulir oleh koperasi. Berdasarkan amandemen perjanjian tanggal 6 Desember 2013, perjanjian jatuh tempo pada tanggal 16 Desember 2016. Pada tanggal 10 Agustus 2016, telah dilakukan perpanjangan dengan jangka waktu 3 (tiga) tahun berdasarkan perjanjian No.518/15709/108.5/2016 dan No.054/210/SP/DIR/KRD.AGR.RTL.

Pada tanggal 18 Oktober 2019 telah dilakukan perpanjangan dengan jangka waktu 5 (lima) tahun berdasarkan perjanjian No.518/19535/115.5/2019 dan 058/245/PKS/DIR/KMRP.

- g. Departemen Kehutanan dan Perkebunan Republik Indonesia

Pada tanggal 23 Juli 1999, Bank mengadakan kerjasama dengan Departemen Kehutanan dan Perkebunan Republik Indonesia sebagai penyalur Kredit Usaha Hutan Rakyat yang bertujuan untuk pengembangan Usaha Hutan Rakyat.

- h. Yayasan Abadi Karya Bhakti

Pada tanggal 9 Januari 1999, Bank mengadakan perjanjian kerjasama dengan Yayasan Abadi Karya Bhakti dan Menteri Negara Koordinator Bidang Kesra dan Taskin serta Departemen Pertanian untuk menyelenggarakan Kredit Taskin Agribisnis. Jangka waktu kerjasama terhitung sejak kesepakatan ini ditandatangani sampai dengan seluruh kredit yang disalurkan dilunasi.

28. CHANNELING LOANS (continued)

- f. Cooperatives and Small and Medium Enterprises Department of East Java Province

Bank entered into a cooperation agreement for a period of 5 years with the Cooperatives and Small and Medium Enterprises Department of East Java Province to distribute revolving funds from the Regional Income and Expenditures Budget (Anggaran Pendapatan Belanja Daerah - APBD) of East Java Province in order to provide assistance to the Government of East Java Province's programs for loan distribution and utilization, directing, monitoring, supervising and repayment and utilization of revolving funds (dana bergulir) by cooperatives (Koperasi). Based on the amendment agreement on December 6, 2013, the agreement was matured on December 16, 2016. On August 10, 2016, the agreement has been extended for a period of 3 (three) years based on agreement No.518/15709/108.5/2016 and No.054/210/SP/DIR/KRD.AGR.RTL.

On October 18, 2019, the agreement has been extended for a period of 5 (five) years based on agreement No.518/19535/115.5/2019 and 058/245/PKS/DIR/KMRP.

- g. Forestry and Plantation Department of the Republic of Indonesia

On July 23, 1999, the Bank entered into a cooperation agreement with the Forestry and Plantation Department of the Republic of Indonesia for distribution of loans for the purpose of the People's Forestry Business Development activities.

- h. Abadi Karya Bhakti Foundation

On January 9, 1999, the Bank entered into a cooperation agreement with the Abadi Karya Bhakti Foundation and the Coordinating State Minister of People's Welfare and Poverty Eradication Division and the Agriculture Department to manage loans involving Kredit Taskin Agribisnis for the period from the signing of the agreement until repayment of all loans.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

28. PENERUSAN KREDIT (lanjutan)

i. Dinas Peternakan Provinsi Jawa Timur

Berdasarkan perjanjian No. 900/8176/122.5/2020 dan No.059/161/SP/DIR/KMRP tanggal 21 September 2020, Bank mengadakan perjanjian kerjasama untuk jangka waktu 3 (tiga) tahun dengan Dinas Peternakan Provinsi Jawa Timur dengan tujuan untuk mensukseskan Program Pemerintah Provinsi Jawa Timur yang meliputi penyaluran pinjaman dan penggunaan dana, pembinaan, pemantauan, pengawasan dan pengembalian serta pemanfaatan dana bergulir oleh Koperasi Unit Desa (KUD) untuk Koperasi Persusuan dalam rangka pengadaan peralatan peternakan guna perbaikan kualitas susu sapi perah rakyat. Dalam perjanjian tersebut, Bank sebagai penyalur dana bergulir modal pengadaan peralatan peternakan untuk perbaikan kualitas susu bagi KUD untuk Koperasi Persusuan yang bersumber dari APBD Provinsi Jawa Timur sub sektor peternakan.

Rincian saldo kredit kelolaan berdasarkan penyedia dana adalah sebagai berikut:

	2022
Bank Indonesia	402.524
Pemerintah Provinsi Jawa Timur	129.443
Kementerian Koperasi dan Usaha Kecil dan Menengah	55.301
Yayasan Dana Sejahtera Mandiri	15.942
Departemen Kehutanan dan Perkebunan Republik Indonesia	15.326
Dinas Koperasi dan Pengusaha Kecil dan Menengah	13.031
Departemen Keuangan Republik Indonesia	8.606
Yayasan Abadi Karya Bhakti	6.038
Dinas Peternakan Provinsi Jawa Timur	2.108
Jumlah	648.319

28. CHANNELING LOANS (continued)

i. Livestock Division of East Java Province (Dinas Peternakan Propinsi Jawa Timur)

Based on an agreement No.900/8176/122.5/2020 and No.059/161/SP/DIR/KMRP dated September 21, 2020, the Bank entered into a cooperation agreement for a period of 3 (three) years with the Livestock Division of East Java Province in order to provide assistance to the Government of East Java Province in its program for loan distribution and utilization, directing, monitoring, supervising and repayment and utilization of revolving funds by Village Union - KUD for Milk Union in connection with the procurement of equipment to improve the quality of milk produced by farmers. In accordance with this agreement, the Bank acts as agent for revolving funds from the Regional Income and Expenditures Budget of the East Java Province Livestock Sector Division.

The details of balances of channeling loans based on the sources of funds (lenders) are as follows:

2021	
402.599	Bank Indonesia
89.591	Government of East Java Province
	The Ministry of Cooperatives
55.529	Small and Medium Scale Enterprises
15.942	Dana Sejahtera Mandiri Foundation
	Forestry and Plantation Department of the Republic of Indonesia
15.326	Department of Cooperatives and Small and Medium Enterprises
13.976	Department of Finance of the Republic of Indonesia
61.041	Abadi Karya Bhakti Foundation
6.038	Livestock Division of East Java Province
2.126	
662.168	Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

28. PENERUSAN KREDIT (lanjutan)

Rincian saldo kredit kelolaan berdasarkan sektor ekonomi adalah sebagai berikut:

	2022	2021
Jasa kemasyarakatan dan sosial budaya	526.533	476.206
Pertanian, perburuan dan kehutanan	44.020	48.491
Perdagangan besar dan eceran	36.861	40.285
Penyediaan akomodasi makan dan minum	9.198	9.361
Jasa kesehatan dan kegiatan sosial	8.701	61.041
Industri pengolahan	6.679	8.551
Perikanan	6.367	7.050
Kegiatan yang belum jelas batasannya	5.941	6.158
Perantara keuangan	3.308	4.159
Jasa perorangan melayani rumah tangga	415	528
Transportasi, perdagangan dan komunikasi	210	252
Real estate, usaha persewaan dan jasa	51	51
Konstruksi	27	27
Pertambangan dan penggalian	8	8
Jumlah	648.319	662.168

28. CHANNELING LOANS (continued)

The details of balances of channeling loans based on economic sector are as follows:

Social culture and community services	
Agriculture, hunting and forestry	
Wholesale and retail	
Provision of food and drink accommodation	
Health service and social activities	
Processing industry	
Fishery	
Undefined activities	
Financial intermediary	
Individual service which serve households	
Transportation, trading and communication	
Real estate, rental and business services	
Construction	
Mining and quarrying	
Total	

29. KOMITMEN DAN KONTINJENSI

Bank memiliki tagihan dan liabilitas komitmen dan kontinjensi dengan rincian sebagai berikut:

	2022	2021
KOMITMEN		
Tagihan komitmen		
Rupiah:		
Pembelian spot & derivatif	156.070	-
Lainnya	1.974.389	908.956
	2.130.459	908.956
Mata uang asing:		
Pembelian spot & derivatif	-	-
	-	-
Liabilitas komitmen		
Rupiah		
Fasilitas kredit kepada debitur yang belum digunakan	3.399.512	3.181.980
Total liabilitas komitmen, neto	1.269.053	2.273.024
KONTINJENSI		
Tagihan kontinjensi		
Rupiah:		
Pendapatan bunga dalam penyelesaian	119.108	195.337
Lainnya	13	13
	119.121	195.350
Liabilitas kontinjensi		
Rupiah:		
Bank garansi yang diberikan	973.063	1.118.753
Mata uang asing:		
Bank garansi yang diberikan	46.703	42.758
	1.019.766	1.161.511
Total liabilitas kontinjensi, neto	900.645	966.161
Total liabilitas komitmen dan kontinjensi, neto	2.169.698	3.239.185

29. COMMITMENTS AND CONTINGENCIES

The Bank has receivables and liabilities involving commitments and contingencies as follows:

COMMITMENTS	
Commitment receivables	
Rupiah:	
Purchase of spot and derivatif	
Others	
Foreign currencies:	
Purchase of spot and derivatif	
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	

Pada tanggal 31 Desember 2022 dan 2021, Bank tidak mempunyai tagihan dan liabilitas komitmen dan kontinjensi kepada pihak berelasi.

As of December 31, 2022 and 2021, the Bank has no outstanding commitment and contingent receivables and liabilities involving related parties.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

30. PENDAPATAN BUNGA DAN SYARIAH

	2022	2021
Pihak berelasi (Catatan 40)		
Kredit yang diberikan	7.926	11.501
Margin dan pendapatan bagi hasil	126	439
Pihak ketiga		
Kredit yang diberikan	4.261.412	4.429.281
Penempatan pada Bank Indonesia dan bank lain	932.818	783.576
Surat berharga		
Biaya perolehan diamortisasi	1.392.992	1.189.657
Margin dan pendapatan bagi hasil	135.829	126.018
Provisi	110.971	76.906
Sertifikat Bank Indonesia	17.442	19.077
Lainnya	23.135	18.713
Jumlah	6.882.651	6.655.168

Related parties (Note 40)	
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	

31. BEBAN BUNGA DAN SYARIAH

	2022	2021
Deposito berjangka	1.431.257	1.501.177
Tabungan	264.782	260.600
Giro	221.779	194.966
Repo	30.291	-
Pinjaman yang diterima	10.357	16.129
Bagi hasil <i>mudharabah</i>	5.580	3.952
Beban bunga kredit	1.549	181
Premium surat berharga	-	482
Jumlah	1.965.595	1.977.487

Time deposits	
Savings accounts	
Current accounts	
Repo	
Borrowings	
Mudharabah profit-sharing expense	
Loan interest expense	
Premium on marketable securities	
Total	

Beban bunga kepada pihak berelasi diungkapkan pada (Catatan 40).

Interest expense involving related parties is disclosed in (Note 40).

32. PENDAPATAN OPERASIONAL LAINNYA

	2022	2021
Pemulihan kerugian penurunan nilai atas aset keuangan	-	361.666
Administrasi giro, tabungan dan deposito	184.480	172.779
Penerimaan kembali kredit hapus buku	56.653	55.003
Administrasi kredit	42.511	34.055
Provisi dan komisi selain dari kredit yang diberikan	11.105	5.225
Lainnya	238.820	177.629
Jumlah	533.569	806.357

Reversal for impairment losses on financial assets	
Current accounts, savings and deposits administration fees	
Collection of loans written-off	
Loan administration fees	
Fees and commissions from other than loans	
Others	
Total	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**33. PENYISIHAN KERUGIAN PENURUNAN NILAI
ATAS ASET KEUANGAN**

	2022	2021
Kredit yang diberikan		
Modal kerja	267.675	261.450
Konsumsi	52.364	149.514
Investasi	67.715	22.153
	387.754	433.117
Aset keuangan lainnya		
Penempatan pada Bank Indonesia		
dan bank lain	1.391	185
Giro pada bank lain	203	968
Surat berharga	(5.544)	(2.174)
Estimasi kerugian komitmen		
dan kontinjensi	2.903	(16)
Aset lain-lain	17.952	25.460
Jumlah	404.659	457.540

**33. PROVISION FOR IMPAIRMENT LOSSES ON
FINANCIAL ASSETS**

<i>Loans</i>
<i>Working capital</i>
<i>Consumption</i>
<i>Investment</i>
<i>Other financial assets</i>
<i>Placement with Bank Indonesia</i>
<i>and other banks</i>
<i>Current accounts with other banks</i>
<i>Marketable securities</i>
<i>Estimated losses on commitments</i>
<i>and contingencies</i>
<i>Other assets</i>
Total

**34. BEBAN TENAGA KERJA DAN TUNJANGAN
KARYAWAN**

	2022	2021
Gaji pegawai	496.631	476.380
Bonus pegawai	385.706	380.767
Tambahan penghasilan pegawai	220.933	250.455
Asuransi dan iuran dana pensiun	143.663	216.652
Sewa tenaga kerja	139.896	121.035
Tunjangan pajak penghasilan pegawai	85.344	68.180
Imbalan kerja	55.532	41.916
Pengobatan	26.241	27.412
Pendidikan dan latihan	76.883	24.826
Gaji Direksi	8.894	8.407
Honorarium Dewan Komisaris	6.098	7.186
Tambahan penghasilan Direksi	4.171	3.918
Rekreasi dan olahraga	5.808	2.974
Tambahan penghasilan Komisaris	2.217	1.726
Perumahan Direksi	1.976	1.656
Lainnya	14.705	11.407
Jumlah	1.674.698	1.644.897

**34. 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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

35. BEBAN UMUM DAN ADMINISTRASI

	2022	2021
Amortisasi beban ditangguhkan	239.247	209.653
Premi asuransi pertanggungan lainnya	220.083	201.506
Penyusutan aset tetap (Catatan 15)	164.880	113.934
Jasa otomasi	142.764	97.937
Sewa	77.950	128.757
Perjalanan dinas	62.796	40.424
Pemeliharaan	56.922	63.022
Promosi	49.292	23.227
Alat tulis dan barang cetak	48.889	42.333
Listrik, air dan telekomunikasi	35.337	36.274
Sumbangan	31.568	19.684
Pengawasan, pemeriksaan dan jasa tenaga ahli	20.273	23.771
Tanggung jawab sosial dan lingkungan	20.135	18.092
Pajak lainnya	18.126	14.584
Keamanan	9.610	9.466
Surat dinas	3.599	3.459
Pajak reklame	1.531	1.208
Penagihan	1.329	1.143
Pajak Bumi dan Bangunan (PBB)	1.169	1.192
Pajak kendaraan bermotor	656	526
Koran dan majalah	430	550
Bursa Efek	275	275
Pajak penghasilan	112	924
Lainnya	22.415	26.879
Jumlah	1.229.388	1.078.820

<i>Amortization of deferred charges</i>
<i>Other insurance premiums</i>
<i>Depreciation of fixed assets (Note 15)</i>
<i>Automation services</i>
<i>Rental</i>
<i>Official/business travel</i>
<i>Maintenance</i>
<i>Promotion</i>
<i>Stationery and printed materials</i>
<i>Electrical, water and telecommunications</i>
<i>Donations</i>
<i>Supervision, audit and professional services</i>
<i>Social and environment responsibility</i>
<i>Other taxes</i>
<i>Security</i>
<i>Mail service</i>
<i>Advertising tax</i>
<i>Collection</i>
<i>Land and building tax fees (PBB)</i>
<i>Motor vehicle tax</i>
<i>Newspaper and magazine</i>
<i>Stock Exchange</i>
<i>Income tax</i>
<i>Others</i>
Total

36. BEBAN LAINNYA

	2022	2021
Tanda mata, hadiah dan umum	86.316	78.369
Kliring dan transfer	59.476	47.224
Rapat dan jamuan tamu	15.423	9.862
Penelitian dan pengembangan	9.833	7.115
Kegiatan keagamaan	3.009	1.849
Provisi, komisi dan fee	10	25
Lainnya	26.987	5.576
Jumlah	201.054	150.020

36. OTHER EXPENSES

<i>Souvenirs, gifts and general</i>
<i>Clearing and transfers</i>
<i>Meetings and entertainment</i>
<i>Research and development</i>
<i>Religious activities</i>
<i>Provision, commission and fee</i>
<i>Others</i>
Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

37. PENDAPATAN NON OPERASIONAL

	2022
Fee jasa pelayanan pajak	6.084
Keuntungan atas penjualan aset tetap	5.274
Keuntungan penjualan efek-efek neto	6.084
Keuntungan selisih kurs	-
Lainnya	158.513
	175.955

37. NON OPERATING INCOME

	2021	
	4.684	Tax service fees
	3.952	Gain on sale of fixed asset - net
	4.684	Gain on sale of securities - net
	3.497	Gain on foreign exchange
	404.119	Others
	420.936	

38. BEBAN NON OPERASIONAL LAINNYA

Pada tanggal 31 Desember 2022 dan 2021, saldo beban non operasional lainnya masing-masing sebesar Rp83.405 dan Rp269.509.

38. NON OPERATING EXPENSE

As of December 31, 2022 and 2021, the balance of non operating expense amounted Rp83,405 and Rp269,509, respectively

39. LABA PER SAHAM DASAR

	2022
Laba untuk perhitungan laba per saham dasar	1.542.824
Rata-rata tertimbang jumlah saham	15.015.498.082
Laba per saham dasar (dalam Rupiah penuh)	102,75

39. BASIC EARNINGS PER SHARE

	2021	
	1.523.070	Income for computation of basic earnings per share
	15.015.498.082	Weighted average number of shares
	101,43	Basic earnings per share (in full Rupiah)

PT BANK PEMBANGUNAN DAERAH**JAWA TIMUR Tbk****CATATAN ATAS LAPORAN KEUANGAN (lanjutan)****Tanggal 31 Desember 2022 dan 2021 dan****untuk tahun yang berakhir pada tanggal-tanggal tersebut****(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)****PT BANK PEMBANGUNAN DAERAH****JAWA TIMUR Tbk****NOTES TO THE FINANCIAL STATEMENTS (continued)****As of December 31, 2022 dan 2021****and for the years then ended****(Expressed in millions of Rupiah, unless otherwise stated)****40. TRANSAKSI DENGAN PIHAK BERELASI**

Dalam kegiatan normal usaha, Bank melakukan transaksi dengan pihak berelasi karena hubungan kepemilikan dan/atau kepengurusan. Semua transaksi dengan pihak-pihak berelasi telah dilakukan dengan kebijakan dan syarat yang telah disepakati bersama.

Pihak berelasi	Sifat dari hubungan/ Nature of relationship
Pemerintah Provinsi Jawa Timur	Pemegang saham/Shareholder
Pemerintah Kota Surabaya	Pemegang saham/Shareholder
Pemerintah Kabupaten Malang	Pemegang saham/Shareholder
Pemerintah Kabupaten Jember	Pemegang saham/Shareholder
Pemerintah Kota Pasuruan	Pemegang saham/Shareholder
Pemerintah Kabupaten Banyuwangi	Pemegang saham/Shareholder
Pemerintah Kabupaten Probolinggo	Pemegang saham/Shareholder
Pemerintah Kabupaten Bondowoso	Pemegang saham/Shareholder
Pemerintah Kabupaten Sidoarjo	Pemegang saham/Shareholder
Pemerintah Kabupaten Tuban	Pemegang saham/Shareholder
Pemerintah Kabupaten Situbondo	Pemegang saham/Shareholder
Pemerintah Kabupaten Kediri	Pemegang saham/Shareholder
Pemerintah Kabupaten Lumajang	Pemegang saham/Shareholder
Pemerintah Kabupaten Lamongan	Pemegang saham/Shareholder
Pemerintah Kabupaten Nganjuk	Pemegang saham/Shareholder
Pemerintah Kabupaten Mojokerto	Pemegang saham/Shareholder
Pemerintah Kabupaten Sampang	Pemegang saham/Shareholder
Pemerintah Kota Malang	Pemegang saham/Shareholder
Pemerintah Kabupaten Pasuruan	Pemegang saham/Shareholder
Pemerintah Kabupaten Bangkalan	Pemegang saham/Shareholder
Pemerintah Kabupaten Gresik	Pemegang saham/Shareholder
Pemerintah Kota Mojokerto	Pemegang saham/Shareholder
Pemerintah Kabupaten Pacitan	Pemegang saham/Shareholder
Pemerintah Kota Batu	Pemegang saham/Shareholder
Pemerintah Kabupaten Ngawi	Pemegang saham/Shareholder
Pemerintah Kabupaten Jombang	Pemegang saham/Shareholder
Pemerintah Kabupaten Madiun	Pemegang saham/Shareholder
Pemerintah Kabupaten Pamekasan	Pemegang saham/Shareholder
Pemerintah Kabupaten Tulungagung	Pemegang saham/Shareholder
Pemerintah Kabupaten Blitar	Pemegang saham/Shareholder
Pemerintah Kabupaten Ponorogo	Pemegang saham/Shareholder
Pemerintah Kabupaten Trenggalek	Pemegang saham/Shareholder
Pemerintah Kabupaten Magetan	Pemegang saham/Shareholder
Pemerintah Kabupaten Bojonegoro	Pemegang saham/Shareholder
Pemerintah Kota Probolinggo	Pemegang saham/Shareholder
Pemerintah Kota Blitar	Pemegang saham/Shareholder
Pemerintah Kota Madiun	Pemegang saham/Shareholder
Pemerintah Kota Kediri	Pemegang saham/Shareholder
Pemerintah Kabupaten Sumenep	Pemegang saham/Shareholder
Pemerintah Kabupaten Bojonegoro	Pemegang saham/Shareholder
Pemerintah Kabupaten Lamongan	Pemegang saham/Shareholder
Pemerintah Kabupaten Malang	Pemegang saham/Shareholder
PT Bank Perkreditan Rakyat Jawa Timur	Dimiliki oleh pemegang saham akhir yang sama/ <i>Owned by the ultimate shareholder</i>
Dewan Komisaris, Direksi dan pejabat eksekutif	Karyawan kunci/ <i>Key management personnel</i> Pengurus/ <i>Management</i>

40. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, Bank enters into certain transactions with parties which are related to the management and/or owned by the same ultimate shareholder. All transactions with related parties have met the agreed terms and conditions.

Sifat dari transaksi/ Nature of transactions	Related parties
Penempatan dana/ <i>Fund placement</i>	Government of East Java Province
Penempatan dana/ <i>Fund placement</i>	Government of Surabaya City
Penempatan dana/ <i>Fund placement</i>	Government of Malang Regency
Penempatan dana/ <i>Fund placement</i>	Government of Jember Regency
Penempatan dana/ <i>Fund placement</i>	Government of Pasuruan City
Penempatan dana/ <i>Fund placement</i>	Government of Banyuwangi Regency
Penempatan dana/ <i>Fund placement</i>	Government of Probolinggo Regency
Penempatan dana/ <i>Fund placement</i>	Government of Bondowoso Regency
Penempatan dana/ <i>Fund placement</i>	Government of Sidoarjo Regency
Penempatan dana/ <i>Fund placement</i>	Government of Tuban Regency
Penempatan dana/ <i>Fund placement</i>	Government of Situbondo Regency
Penempatan dana/ <i>Fund placement</i>	Government of Kediri Regency
Penempatan dana/ <i>Fund placement</i>	Government of Lumajang Regency
Penempatan dana/ <i>Fund placement</i>	Government of Lamongan Regency
Penempatan dana/ <i>Fund placement</i>	Government of Nganjuk Regency
Penempatan dana/ <i>Fund placement</i>	Government of Mojokerto Regency
Penempatan dana/ <i>Fund placement</i>	Government of Sampang Regency
Penempatan dana/ <i>Fund placement</i>	Government of Malang City
Penempatan dana/ <i>Fund placement</i>	Government of Pasuruan Regency
Penempatan dana/ <i>Fund placement</i>	Government of Bangkalan Regency
Penempatan dana/ <i>Fund placement</i>	Government of Gresik Regency
Penempatan dana/ <i>Fund placement</i>	Government of Mojokerto City
Penempatan dana/ <i>Fund placement</i>	Government of Pacitan Regency
Penempatan dana/ <i>Fund placement</i>	Government of Batu City
Penempatan dana/ <i>Fund placement</i>	Government of Ngawi Regency
Penempatan dana/ <i>Fund placement</i>	Government of Jombang Regency
Penempatan dana/ <i>Fund placement</i>	Government of Madiun Regency
Penempatan dana/ <i>Fund placement</i>	Government of Pamekasan Regency
Penempatan dana/ <i>Fund placement</i>	Government of Tulungagung Regency
Penempatan dana/ <i>Fund placement</i>	Government of Blitar Regency
Penempatan dana/ <i>Fund placement</i>	Government of Ponorogo Regency
Penempatan dana/ <i>Fund placement</i>	Government of Trenggalek Regency
Penempatan dana/ <i>Fund placement</i>	Government of Magetan Regency
Penempatan dana/ <i>Fund placement</i>	Government of Bojonegoro Regency
Penempatan dana/ <i>Fund placement</i>	Government of Probolinggo City
Penempatan dana/ <i>Fund placement</i>	Government of Blitar City
Penempatan dana/ <i>Fund placement</i>	Government of Madiun City
Penempatan dana/ <i>Fund placement</i>	Government of Kediri City
Penempatan dana/ <i>Fund placement</i>	Government of Sumenep Regency
Penempatan dana/ <i>Fund placement</i>	Government of Bojonegoro Regency
Kredit yang diberikan/ <i>Loans</i>	Government of Lamongan Regency
Kredit yang diberikan/ <i>Loans</i>	Government of Malang Regency
Kredit yang diberikan/ <i>Loans</i>	PT Bank Perkreditan Rakyat Jawa Timur
Penempatan dana/ <i>Fund placement</i>	
Simpanan nasabah/ <i>Deposits from customers</i>	Board of Commissioners.
Beban tenaga kerja/ <i>Personnel expenses</i>	Board of Directors and executive officers

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

Saldo aset produktif, simpanan, pinjaman yang diterima dan komitmen dan kontinjensi dari pihak berelasi adalah sebagai berikut:

	2022	2021
ASET		
Kredit yang diberikan dan pembiayaan syariah (Catatan 12)		
Pinjaman manajemen kunci	104.192	112.529
PT BPR Jawa Timur	24.851	29.851
RSUD Dr. Soedono Madiun	-	34.840
Lain-lain	5.828	5.669
Jumlah	134.871	182.889
Persentase terhadap jumlah aset	0,13%	0,18%
LIABILITAS		
Simpanan dari nasabah (Catatan 18)	15.295.405	17.722.756
Persentase terhadap jumlah liabilitas	17,05%	19,73%
Simpanan dari bank lain (Catatan 19)		
PT BPR Jawa Timur	141.996	360.169
Jumlah	141.996	360.169
Persentase terhadap jumlah liabilitas	0,16%	0,40%
LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN		
Pendapatan bunga (Catatan 30)	8.052	11.940
Persentase terhadap jumlah pendapatan bunga dan syariah	0,12%	0,18%
Beban bunga dan syariah	471.882	143.778
Persentase terhadap jumlah beban bunga dan syariah	24,01%	7,27%

Komitmen dan kontinjensi

Tidak terdapat saldo komitmen dan kontinjensi kepada pihak berelasi untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2022 dan 2021.

40. TRANSACTIONS WITH RELATED PARTIES (continued)

The outstanding balances of earning assets, deposits, borrowings and commitments and contingencies with related parties were as follows:

ASSETS
Loans and sharia financing (Note 12)
Loans to key managements
PT BPR Jawa Timur
RSUD Dr. Soedono Madiun
Others
Total
Percentage to total assets
LIABILITIES
Deposits from customers (Note 18)
Percentage to total liabilities
Deposits from other banks (Note 19)
PT BPR Jawa Timur
Total
Percentage to total liabilities
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Interest income (Note 30)
Percentage to total interest and sharia income
Interest and sharia expenses
Percentage to total interest and sharia expenses

Commitments and contingencies

There were no commitments and contingencies involving related parties as of December 31, 2022 and 2021.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. TRANSAKSI DENGAN PIHAK BERELASI (lanjutan)

Kompensasi manajemen kunci

Kompensasi kepada personil manajemen kunci Bank (di luar Komisaris dan Direksi) adalah sebagai berikut:

	2022
Gaji	22.995
Jasa produksi	12.053
Tunjangan	10.520
Jumlah	45.569

Jumlah remunerasi yang telah dan akan dibayar untuk tahun yang berakhir pada tanggal 31 Desember 2022 dan 2021 untuk Dewan Komisaris, masing-masing adalah Rp12.990 dan Rp20.458 dan untuk Direksi, masing-masing adalah Rp39.310 dan Rp35.164.

40. TRANSACTIONS WITH RELATED PARTIES (continued)

Compensation of key management personnel

The compensation of key management personnel of the Bank (excluding Commissioners and Directors) are follows:

	2021	
	20.820	Salary
	11.492	Production bonus
	10.401	Allowance
Total	42.713	Total

Total remuneration paid and payable for the years ended December 31, 2022 and 2021 to the Board of Commissioners were Rp12,990 and Rp20,458, respectively, and to the Board of Directors were Rp39,310 and Rp35,164 respectively.

41. INFORMASI SEGMENT USAHA

Informasi yang berkaitan dengan segmen usaha yang operasi dari Bank disajikan dalam tabel di bawah ini:

41. SEGMENT INFORMATION

Information concerning the operating segment information of the Bank is set out in the table below:

	2022				
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Jumlah/ Total	
Pendapatan segmen	8.253.562	175.839	1.654.764	6.774.637	Segment income
Beban segmen	(3.567.963)	(55.082)	(1.654.764)	(1.968.281)	Segment expenses
Pendapatan segmen - neto	4.685.598	120.757	-	4.806.356	Segment Income - net
Pendapatan operasional lainnya	1.356.857	21.038	-	1.377.895	Other operating income
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(1.085.401)	(22.795)	-	(1.108.196)	Provision for impairment losses on financial and non-financial assets
Beban operasional lainnya	(3.050.773)	(80.210)	-	(3.130.983)	Other operating expenses
Laba operasional	1.906.281	38.790	-	1.945.072	Income from operations
Pendapatan (beban) bukan operasional - neto	83.097	1.880	-	84.977	Non-operating income (expenses) - net
Beban pajak - neto	(487.225)	-	-	(487.225)	Tax expense - net
Laba (rugi) periode berjalan	1.502.153	40.670	-	1.542.824	Profit (loss) for the period
Jumlah aset	100.470.606	3.071.458	(510.697)	103.031.367	Total assets

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

41. INFORMASI SEGMENT USAHA (lanjutan)

Informasi yang berkaitan dengan segmen usaha yang operasi dari Bank disajikan dalam tabel di bawah ini (lanjutan):

	2021				
	Konvensional/ Conventional	Syariah/ Sharia	Eliminasi/ Elimination	Jumlah/ Total	
Pendapatan segmen	8.101.453	171.729	1.618.014	6.655.168	Segment income
Beban segmen	(3.606.519)	(62.704)	(1.691.736)	(1.977.487)	Segment expenses
Pendapatan segmen - neto	4.494.934	109.025	(73.722)	4.677.681	Segment Income - net
Pendapatan operasional lainnya	864.901	19.993	78.537	806.357	Other operating income
Penyisihan kerugian penurunan nilai atas aset keuangan dan nonkeuangan	(746.094)	(47.646)	25.461	(819.201)	Provision for impairment losses on financial and non-financial assets
Beban operasional lainnya	(2.831.764)	(67.433)	(25.460)	(2.873.737)	Other operating expenses
Laba operasional	1.781.977	13.939	4.816	1.791.100	Income from operations
Pendapatan (beban) bukan operasional - neto	141.646	410	(4.818)	146.874	Non-operating income (expenses) - net
Beban pajak - neto	(414.904)	-	-	(414.904)	Tax expense - net
Laba (rugi) periode berjalan	1.508.719	14.349	(2)	1.523.070	Profit (loss) for the period
Jumlah aset	97.403.604	3.836.795	(517.069)	100.723.330	Total assets

42. MANAJEMEN RISIKO

Fungsi manajemen risiko dalam pelaksanaannya melakukan identifikasi, penilaian, pengukuran, evaluasi, monitoring, dan pengendalian risiko terkait pula pengembangan sistem teknologi dan informasi manajemen, serta peningkatan kualitas sumber daya manusia dalam mengelola risiko.

Penerapan manajemen risiko di Bank mengacu pada Peraturan Otoritas Jasa Keuangan (POJK) No.18/POJK.03/2016 tanggal 16 Maret 2016 tentang Penerapan Manajemen Risiko bagi Bank Umum.

Pengelolaan risiko tidak hanya terbatas pada pemantauan, pelaporan dan evaluasi terhadap risiko-risiko yang terjadi, namun juga mendeteksi dan mengantisipasi risiko-risiko yang mungkin terjadi.

Pengawasan aktif Dewan Komisaris dan Direksi Bank sangatlah penting, termasuk membentuk beberapa unit kerja yang bersifat permanen maupun komite untuk menunjang proses pengendalian risiko. Hal ini diwujudkan dengan pembentukan Divisi Pengendalian Risiko serta beberapa komite seperti Komite Pemantau Risiko, Komite Manajemen Risiko, Komite Aset dan Liabilitas, Komite Manajemen Kepegawaian dan Komite Pengarah IT.

Bank selalu menyempurnakan seluruh ketentuan internal terkait pengelolaan risiko, termasuk dari sisi kebijakan, pedoman, prosedur dan pemanfaatan teknologi informasi.

41. SEGMENT INFORMATION (continued)

Information concerning the operating segment information of the Bank is set out in the table below (continued):

42. RISK MANAGEMENT

Risk management function includes identification, assessment, measurement, evaluation, monitoring and risk controls, including development of technology and management information systems and improvement of human resources quality in risk management.

Implementation of Bank risk management in accordance with the Financial Services Authority Regulation (POJK) No.18/POJK.03/2016 dated March 16, 2016 regarding Application of Risk Management for Commercial Banks.

Risk management is not merely related to monitoring, reporting, and evaluating the risks, but also detecting and anticipating the possible risks.

Active monitoring from the Boards of Commissioners and Directors is essential, including establishing several permanent working units or ad hoc committees to support the risks control process. This is implemented by establishing a Risk Management Division and other several committees such as Risk Monitoring Committee, Risk Management Committee, Assets and Liabilities Committee, Personnel Management and IT Steering Committee.

The Bank continuously improves internal policies related to risk management, including policies, standardized operations, procedures, and information technology utilization.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT

Sesuai dengan kompleksitas usahanya, Bank telah mengelola 8 (delapan) jenis risiko yaitu risiko kredit, risiko likuiditas, risiko pasar, risiko operasional, risiko hukum, risiko reputasi, risiko strategik dan risiko kepatuhan.

Setiap triwulan, Bank telah menyusun profil risiko yang secara garis besar dapat mencerminkan tingkat risiko yang dimiliki oleh Bank.

Kerangka manajemen risiko

Organisasi manajemen risiko Bank melibatkan pengawasan dari Dewan Komisaris, Direksi dan Komite Pemantau Risiko. Komite Pemantau Risiko merupakan pengawas risiko tertinggi di Dewan Komisaris. Komite Pemantau Risiko tersebut menyetujui dan memonitor pelaksanaan kerangka dan kebijakan manajemen risiko Bank. Dewan Komisaris mendelegasikan kuasa kepada Direktur Utama dan Direksi untuk mengimplementasikan strategi manajemen risiko. Komite Pemantau Risiko dibentuk oleh Direksi dan bertanggungjawab untuk mengelola risiko yang ada di Bank.

Kebijakan manajemen risiko Bank ditetapkan untuk mengidentifikasi dan menganalisa risiko-risiko yang dihadapi Bank, untuk menetapkan batasan risiko dan pengendalian yang sesuai, serta untuk mengawasi risiko dan kepatuhan terhadap batasan yang telah ditetapkan. Kebijakan dan sistem manajemen risiko ditelaah secara berkala untuk mencerminkan perubahan dalam kondisi pasar, produk, dan jasa yang ditawarkan. Bank, melalui pelatihan serta standar dan prosedur pengelolaan, berusaha untuk mengembangkan lingkungan pengendalian yang taat dan konstruktif, dimana semua karyawan memahami tugas dan kewajiban mereka.

Komite Audit Bank memiliki tanggung jawab untuk memantau kepatuhan terhadap kebijakan dan prosedur manajemen risiko, dan untuk menelaah kecukupan kerangka manajemen risiko yang terkait dengan risiko-risiko yang dihadapi oleh Bank. Dalam menjalankan fungsinya, Komite Audit dibantu oleh Satuan Kerja Audit Intern. Satuan Kerja Audit Intern secara berkala maupun sesuai kebutuhan, menelaah pengendalian dan prosedur manajemen risiko dan melaporkan hasilnya ke Komite Audit Bank.

Komite Pemantau Risiko mengawasi perkembangan kebijakan manajemen risiko dan menilai penerapannya. Komite juga memberikan nasihat mengenai strategi manajemen risiko yang harus digunakan oleh Bank. Dalam melaksanakan fungsi pengawasan, Komite Pemantau Risiko akan melakukan pengawasan dan evaluasi kinerja Komite Manajemen Risiko.

43. CREDIT RISK

In accordance with the complexity of business, the Bank has managed 8 (eight) risks, namely credit risk, liquidity risk, market risk, operational risk, compliance risk, legal risk, strategic risk and reputation risk.

In quarterly, the Bank has prepared the risks profile globally which reflected the Bank's risk rate.

Risk management framework

The Bank's risk management organization involves oversight from the Board of Commissioner, the Board of Directors, and the Risk Monitoring Committee. The Risk Monitoring Committee is the highest risk authority in the Board of Commissioner level. The Risk Monitoring Committee approves and monitors the implementation of risk management framework and policies of the Bank. Board of Commissioner delegate authority to the President Director and Board of Directors to implement the risk management strategy. The Risk Monitoring Committee is established by the Board of Directors and is responsible for managing risk of the Bank.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits determined. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Bank's Audit Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Audit Committee is assisted in these functions by Internal Audit Task Force. Internal Audit Task Force undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Bank's Audit Committee.

The Risk Monitoring Committee supervises the development of risk management policies and assesses the implementation. The Committee also provides advice on the risk management strategy to be employed by the Bank. In conducting its oversight role, the Risk Monitoring Committee will also monitor and evaluate the performance of the Risk Management Committee.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

Risiko kredit adalah risiko akibat wanprestasi debitur dan/atau pihak lawan (*counterparty*) dalam memenuhi liabilitas kepada Bank. Terhadap eksposur risiko kredit spesifik seperti kredit perorangan, fasilitas antar bank dan sebagainya, Bank melakukan evaluasi secara tersendiri dengan menggunakan faktor yang dapat saja berbeda, sesuai dengan karakteristik spesifik dari setiap jenis eksposur. Dalam mengelola risiko kredit, Bank telah memiliki kebijakan dan pedoman perkreditan, yang disempurnakan secara berkala, dengan tetap didasarkan pada prinsip pengelolaan risiko yang independen sesuai dengan peraturan Bank Indonesia dan peraturan eksternal lainnya.

Pengendalian risiko kredit terkait penyediaan dana dengan limit minimal tertentu harus melalui Komite Kebijakan Perkreditan. Dalam rangka pengendalian risiko kredit secara komprehensif, Bank terus meninjau dan menyempurnakan pelaksanaan fungsi pengendalian risiko kredit yang dijalankan oleh unit yang terekspos terhadap risiko diantaranya dengan pembentukan fungsi analisis kredit di cabang.

Pengelolaan risiko kredit yang lebih khusus dilakukan atas portofolio kredit yang bermasalah. Upaya yang dilakukan diantaranya adalah restrukturisasi fasilitas kredit yang bermasalah, pembentukan pencadangan untuk menutup potensi kerugian, hingga pelaksanaan hapus buku. Kebijakan pengelolaan kredit bermasalah telah dilaksanakan, termasuk pembentukan unit kerja khusus untuk mengelola kredit bermasalah.

Bank telah menjalankan proses identifikasi, pengukuran, pemantauan, dan pengendalian risiko yang mencakup profil risiko kredit secara terintegrasi dalam suatu proses manajemen risiko yang komprehensif.

a. Risiko kredit maksimum

Untuk aset keuangan yang diakui di laporan posisi keuangan, eksposur maksimum terhadap risiko kredit sama dengan nilai tercatatnya. Untuk bank garansi yang diterbitkan, L/C dan SKBDN yang masih berjalan yang dapat dibatalkan, eksposur maksimum terhadap risiko kredit adalah nilai maksimum yang harus dibayarkan oleh Bank jika liabilitas atas bank garansi, L/C, dan SKBDN tersebut terjadi. Untuk fasilitas kredit kepada nasabah yang belum digunakan, eksposur maksimum terhadap risiko kredit adalah sebesar komitmen tersebut.

Eksposur maksimum Bank terhadap risiko kredit untuk instrumen keuangan pada laporan posisi keuangan dan rekening administrasi, dinilai tanpa memperhitungkan agunan yang dimiliki atau perlindungan kredit lainnya.

43. CREDIT RISK (continued)

Credit risk is the risk of debtors and/or counterparties failure to fulfil their obligations to the Bank. In relation to the specific credit risk exposure such as individual credits, inter-bank facilities and others, the Bank separately evaluates credit risk based on factors which may be different, according to the specific characteristics of each exposure. In managing credit risk, the Bank has credit policies and standard operation procedures that are enhanced periodically in accordance with independent risk management principles based on Bank Indonesia regulations, and other external regulations.

Control of the credit risks related to the provision of funds above a certain minimum limit requires approval by the Credit Committee. In the comprehensive credit risk control, the Bank continuously reviews and improves the credit risk control function which is conducted by the risk taking unit, among others, by establishing a credit analyst function in the branch.

Specific credit risk management is performed on the non-performing loans portfolio. Such efforts, among others, are restructuring of non-performing loans, providing allowances to cover potential losses, and write-offs. Specific policy on non-performing loans management process has been implemented, including establishing special working units to handle such loans.

The Bank identifies, measures, monitors, and controls risks which include credit risk profiles integrated in a comprehensive risk management process.

a. Maximum credit risk

For financial assets recognized in the statements of financial position, the maximum exposure to credit risk equals their carrying amounts. For the bank guarantees issued and outstanding revocable L/Cs and Domestic L/Cs, the maximum exposure to credit risk is the maximum amount that the Bank has to pay if the obligations under the bank guarantees issued and outstanding revocable L/Cs and Domestic L/Cs are called upon. For unused loans commitments granted to customers, the maximum exposure to credit risk is the committed amount.

The Bank's maximum exposure to credit risk of statements of financial position and administrative accounts financial instruments, is valued without taking into account any collateral held or other credit enhancement.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. RISIKO KREDIT (lanjutan)

b. Risiko konsentrasi kredit

Pada tanggal 31 Desember 2022 dan 2021, pengungkapan risiko kredit maksimum berdasarkan konsentrasi sebelum memperhitungkan agunan yang dimiliki dan perjanjian master netting adalah sebagai berikut:

Konsentrasi risiko kredit berdasarkan geografis

	2022					
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others	Jumlah/ Total
Posisi keuangan						
Giro pada Bank Indonesia	-	10.786.740	-	-	-	10.786.740
Giro pada bank lain	-	302.688	-	-	-	302.688
Penempatan pada Bank Indonesia dan bank lain	1.152.000	2.702.379	538.000	449.000	2.071.796	6.913.175
Tagihan spot dan derivatif	361	-	-	-	-	361
Surat berharga	-	-	-	-	-	-
Biaya perolehan diamortisasi	-	14.740.662	-	-	-	14.740.662
Nilai wajar melalui pendapatan komprehensif lain	-	8.476.609	-	-	-	8.476.609
Surat berharga yang dijual dengan janji dibeli kembali	-	4.095.066	-	-	-	4.095.066
Surat berharga yang dibeli dengan janji dijual kembali	-	7.822.847	-	-	-	7.822.847
Tagihan lainnya	286.147	-	-	-	-	286.147
Kredit yang diberikan dan pembiayaan syariah	-	-	-	-	-	-
Modal kerja	8.483.137	1.014.245	677.316	-	-	10.174.698
Investasi	3.359.791	2.161.406	370.368	479.607	-	6.371.172
Konsumsi	28.151.362	143.306	37.289	70	148	28.332.175
Pendapatan bunga yang masih akan diterima	629.389	13.694	2.288	752	2	646.125
Jumlah	42.062.187	52.259.642	1.625.261	929.429	2.071.946	98.948.465
Rekening administratif						
Fasilitas kredit kepada nasabah yang belum digunakan	2.412.262	971.071	610	15.569	-	3.399.512
Bank garansi yang diterbitkan	1.019.766	-	-	-	-	1.019.766
Jumlah	3.432.028	971.071	610	15.569	-	4.419.278

43. CREDIT RISK (continued)

b. Credit concentration risk

As of December 31, 2022 and 2021, 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

Financial position
Current accounts with Bank Indonesia
Current accounts with other banks
Placements with Bank Indonesia and other banks
Spot and derivative receivables
Marketable securities
Amortized cost
Fair value through other comprehensive income
Marketable securities sold under repurchased agreement
Marketable securities purchased under resale agreement
Other receivables
Loans and sharia financing
Working capital
Investment
Consumption
Interest receivables
Total
Administrative accounts
Unused loans commitments granted to customers
Bank guarantees issued
Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

b. Risiko konsentrasi kredit (lanjutan)

Konsentrasi risiko kredit berdasarkan geografis
(lanjutan)

	2021					Jumlah/ Total
	Jawa Timur/ East Java	Jawa selain Jawa Timur/ Java other than East Java	Sumatera	Kalimantan/ Borneo	Lain-lain/ Others	
Posisi keuangan						
Giro pada Bank Indonesia	-	8.805.300	-	-	-	8.805.300
Giro pada bank lain	-	211.443	-	-	-	211.443
Penempatan pada Bank Indonesia dan bank lain	1.152.001	5.705.135	538.000	449.000	2.071.796	9.915.932
Surat berharga	-	20.828.263	-	-	-	20.828.263
Biaya perolehan diamortisasi	-	11.554.760	-	-	-	11.554.760
Nilai wajar melalui pendapatan komprehensif lain	-	-	-	-	-	-
Surat berharga yang dijual dengan janji dibeli kembali	-	3.420.685	-	-	-	3.420.685
Surat berharga yang dibeli dengan janji dijual kembali	-	-	-	-	-	-
Tagihan lainnya	230.019	-	-	-	-	230.019
Kredit yang diberikan dan pembiayaan syariah						
Modal kerja	7.404.378	987.389	71.261	996	12.400	8.476.424
Investasi	2.715.972	2.267.500	110.798	473.626	-	5.567.896
Konsumsi	26.695.730	145.689	32.238	-	165	26.873.822
Pendapatan bunga yang masih akan diterima	771.149	20.119	1.128	744	760	793.900
Jumlah	38.969.249	53.946.283	753.425	924.366	2.085.121	96.678.444
Rekening administratif						
Fasilitas kredit kepada nasabah yang belum digunakan	2.370.071	784.709	2.784	24.416	-	3.181.980
Bank garansi yang diterbitkan	1.161.510	-	-	-	-	1.161.510
Jumlah	3.531.581	784.709	2.784	24.416	-	4.343.490

Concentration of credit risk by geography
(continued)

Financial position
Current accounts with Bank Indonesia
Current accounts with other banks
Placements with Bank Indonesia and other banks
Marketable securities
Amortized cost
Fair value through other comprehensive income
Marketable securities sold under repurchased agreement
Marketable securities purchased under resale agreement
Other receivables
Loans and sharia financing
Working capital
Investment
Consumption
Interest receivables
Total
Administrative accounts
Unused loans
commitments granted to customers
Bank guarantees issued
Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. RISIKO KREDIT (lanjutan)

b. Risiko konsentrasi kredit (lanjutan)

Konsentrasi risiko kredit berdasarkan sektor industri

43. CREDIT RISK (continued)

b. Credit concentration risk (continued)

Concentration of credit risk by industry sector

2022							
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Lembaga keuangan bukan bank/ Non-bank financial institutions	Bank/Banks	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals	Jumlah/ Total	
Posisi keuangan							Financial position
Giro pada Bank Indonesia	10.786.740	-	-	-	-	10.786.740	Current accounts with Bank Indonesia
Giro pada bank lain	-	-	302.688	-	-	302.688	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	6.913.175	-	-	-	-	6.913.175	Placements with Bank Indonesia and other banks
Tagihan spot dan derivatif	-	-	361	-	-	361	Spot and derivative receivables
Surat berharga							Marketable securities
Biaya perolehan diamortisasi	12.425.335	-	327.018	1.988.309	-	14.740.662	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	8.476.609	-	-	-	-	8.476.609	Fair value through other comprehensive income
Surat berharga yang dijual dengan janji dibeli kembali	4.095.066	-	-	-	-	4.095.066	Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	-	-	7.822.847	-	-	7.822.847	Marketable securities purchased under resale agreement
Tagihan lainnya	-	-	-	-	286.147	286.147	Other receivables
Kredit yang diberikan dan pembiayaan syariah							Loans and sharia financing
Modal kerja	177.813	327.211	315.826	2.937.209	6.416.639	10.174.698	Working capital
Investasi	5.662	1.436	-	4.828.916	1.535.158	6.371.172	Investment
Konsumsi	-	1.000	3.897	14.773	28.312.505	28.332.175	Consumption
Pendapatan bunga yang masih akan diterima	433	2.025	535	41.024	602.108	646.125	Interest receivables
Jumlah	42.880.833	331.672	8.773.172	9.810.231	37.152.557	98.948.465	Total
Rekening administratif							Administrative accounts
Fasilitas kredit kepada nasabah yang belum digunakan	-	-	132.932	-	3.266.580	3.399.512	Unused loans commitments granted to customers
Bank garansi yang diterbitkan	-	-	-	-	1.019.766	1.019.766	Bank guarantees issued
Jumlah	-	-	132.932	-	4.286.346	4.419.278	Total

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

b. Risiko konsentrasi kredit (lanjutan)

Konsentrasi risiko kredit berdasarkan sektor industri (lanjutan)

	2021						
	Pemerintah dan Bank Indonesia/ Government and Bank Indonesia	Bank/Banks	Lembaga keuangan bukan bank/ Non-bank financial institutions	Perusahaan lainnya/ Other companies	Perseorangan/ Individuals	Jumlah/ Total	
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	9.915.932	-	-	-	-	9.915.932	Placements with Bank Indonesia and other banks
Surat berharga	16.071.667	-	139.804	4.616.792	-	20.828.263	Marketable securities
Biaya perolehan diamortisasi	11.554.760	-	-	-	-	11.554.760	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	-	-	3.420.685	-	-	3.420.685	Fair value through other comprehensive income
Surat berharga yang dibeli dengan janji dijual kembali	-	-	-	-	230.019	230.019	Marketable securities purchased under resale agreement
Tagihan lainnya	-	-	-	-	-	-	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
Rekening administratif							Administrative accounts
Fasilitas kredit kepada nasabah yang belum digunakan	-	-	271.800	-	2.910.180	3.181.980	Unused loans commitments granted to customers
Bank garansi yang diterbitkan	-	-	-	-	1.161.510	1.161.510	Bank guarantees issued
Jumlah	-	-	271.800	-	4.071.690	4.343.490	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.

43. CREDIT RISK (continued)

b. Credit concentration risk (continued)

Concentration of credit risk by industry sector (continued)

c. Collateral and other credit enhancements

The Bank has a guidebook on how to value the type of collateral that can be accepted as credit risk mitigation. Some major collateral obtained includes land, buildings and vehicles. The Bank also has certain credit facilities guaranteed by third parties.

Generally, collateral is required for all credits extended as a secondary source of credit repayment and also as a form of credit risk mitigation. The primary source of credit repayment is the funds generated from business operations of the borrowers.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

d. Kualitas aset keuangan

Bank telah memiliki kebijakan yang telah diterapkan secara konsisten untuk pemeringkatan risiko atas portofolio aset keuangan. Sistem peringkat ini didukung oleh berbagai analisis keuangan, dikombinasikan dengan informasi pasar yang telah diolah guna pengukuran risiko pihak lawan. Semua peringkat risiko disesuaikan dengan berbagai kategori dan ditentukan sesuai dengan panduan peringkat Bank Indonesia.

e. Evaluasi penurunan nilai

Pengukuran risiko kredit

Estimasi eksposur kredit untuk tujuan manajemen risiko adalah kompleks dan mensyaratkan penggunaan model, karena eksposur yang bervariasi dengan perubahan kondisi pasar, arus kas ekspektasian dan berlalunya waktu. Penilaian risiko kredit dari portofolio aset memerlukan estimasi lebih lanjut mengenai kemungkinan terjadinya gagal bayar, rasio kerugian terkait dan korelasi gagal bayar antara pihak lawan. Bank mengukur risiko kredit menggunakan *Probability of Default* (PD), *Exposure at Default* (EAD) dan *Loss Given Default* (LGD). Hal ini sama dengan pendekatan yang digunakan untuk tujuan mengukur Kerugian Kredit Ekspektasian (ECL) berdasarkan PSAK 71.

Pengukuran kerugian kredit ekspektasian

PSAK 71 mengikhtisarkan model "tiga tahap" untuk penurunan nilai berdasarkan perubahan kualitas kredit sejak pengakuan awal seperti diikhtisarkan di bawah ini:

- Instrumen keuangan yang tidak mengalami penurunan nilai pada pengakuan awal diklasifikasikan ke dalam "Tahap 1" dan risiko kreditnya terus dipantau oleh Bank.
- Jika peningkatan signifikan dalam risiko kredit (SICR) sejak pengakuan awal diidentifikasi, instrumen keuangan dipindahkan ke "Tahap 2" tetapi belum diakui sebagai kredit yang mengalami penurunan nilai.
- Jika instrumen keuangan mengalami penurunan nilai, instrumen keuangan kemudian dipindahkan ke "Tahap 3".
- Instrumen keuangan pada Tahap 1 memiliki ECL yang diukur pada jumlah yang sama dengan bagian dari kerugian kredit ekspektasian sepanjang umurnya yang dihasilkan dari peristiwa gagal bayar yang mungkin terjadi dalam 12 bulan ke depan. Instrumen dalam Tahap 2 atau 3 ECL diukur berdasarkan pada kerugian kredit ekspektasian sepanjang umurnya.

43. CREDIT RISK (continued)

d. Quality of financial assets

The Bank has a policy that has been consistently applied for risk assessment of the financial asset portfolio. This rating system is supported by a variety of financial analyses, combined with market information that has been processed for the measurement of counterparty risk. All risk ratings are adjusted to the various categories and ranks as determined in accordance with the Bank Indonesia's rating guidance.

e. Impairment assessment

Credit risk measurement

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures credit risk using *Probability of Default* (PD), *Exposure at Default* (EAD) and *Loss Given Default* (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under PSAK 71.

Expected credit loss measurement

PSAK 71 outlines a "three-stage" model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Bank.
- If a significant increase in credit risk (SICR) since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3".
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pengukuran kerugian kredit ekspektasian (lanjutan)

PSAK 71 mengikhtisarkan model “tiga tahap” untuk penurunan nilai berdasarkan perubahan kualitas kredit sejak pengakuan awal seperti diikhtisarkan di bawah ini (lanjutan):

- Konsep pervasif dalam mengukur ECL sesuai dengan PSAK 71 adalah bahwa konsep tersebut harus mempertimbangkan informasi perkiraan masa depan.
- Aset keuangan yang dibeli atau yang berasal dari aset keuangan yang memburuk adalah aset keuangan yang mengalami penurunan nilai pada saat pengakuan awal. ECL selalu diukur sepanjang umurnya (Tahap 3).

Peningkatan signifikan pada risiko kredit (SICR)

Bank mempertimbangkan instrumen keuangan telah mengalami peningkatan risiko kredit yang signifikan ketika peminjam menunggak pembayaran kontraktualnya lebih dari 30 hari.

Definisi gagal bayar dan aset yang mengalami penurunan nilai kredit

Bank mendefinisikan instrumen keuangan sebagai gagal bayar, yang sepenuhnya sesuai dengan definisi kredit yang mengalami penurunan nilai, ketika memenuhi satu atau lebih kriteria berikut:

Kriteria kuantitatif

Peminjam yang tertunggak lebih dari 90 hari atas pembayaran kontraktualnya.

Kriteria kualitatif

Peminjam memenuhi kriteria tidak mampu membayar, yang menunjukkan peminjam dalam kesulitan keuangan yang signifikan, sebagaimana dijelaskan pada Catatan 2m.

Kriteria tersebut telah diterapkan pada semua instrumen keuangan yang dimiliki oleh Bank dan konsisten dengan definisi gagal bayar yang digunakan untuk tujuan manajemen risiko kredit internal. Definisi gagal bayar telah diterapkan secara konsisten untuk model *Probability of Default* (PD), *Exposure at Default* (EAD) dan *Loss Given Default* (LGD) sepanjang perhitungan kerugian ekspektasian Bank.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Expected credit loss measurement (continued)

PSAK 71 outlines a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below (continued):

- A pervasive concept in measuring ECL in accordance with PSAK 71 is that it should consider forward-looking information.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Significant increase in credit risk (SICR)

The Bank consider a financial instrument to have experienced significant increase in credit risk when the borrower is more than 30 days past due on its contractual payments.

Definition of default and credit-impaired assets

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty, as described in (Note 2m).

The criteria have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the *Probability of Default* (PD), *Exposure at Default* (EAD) and *Loss given Default* (LGD) throughout the Bank’s expected loss calculations.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Definisi gagal bayar dan aset yang mengalami penurunan nilai kredit (lanjutan)

Kriteria kualitatif (lanjutan)

Pertimbangan utama dalam melakukan evaluasi penurunan nilai kredit yang diberikan khususnya pembayaran pokok atau bunga yang jatuh tempo lebih dari 90 hari atau terdapat kesulitan atau pelanggaran dari persyaratan yang terdapat dalam kontrak awal. Bank melakukan evaluasi penurunan nilai dengan dua metode yaitu evaluasi penurunan nilai secara individual dan kolektif.

Bank menentukan penyisihan kerugian penurunan nilai secara individual untuk masing-masing kredit yang diberikan yang signifikan.

Hal-hal yang dipertimbangkan dalam menentukan jumlah penyisihan kerugian penurunan nilai antara lain kemampuan debitur untuk memperbaiki kinerja saat menghadapi kesulitan keuangan, proyeksi penerimaan dan ekspektasi pengeluaran saat terjadi kepailitan, ketersediaan dukungan keuangan lainnya, termasuk klaim terhadap pihak asuransi, nilai agunan yang dapat direalisasikan, dan ekspektasi waktu diperolehnya arus kas.

Penyisihan kerugian penurunan nilai dievaluasi setiap tanggal pelaporan. Sedangkan evaluasi penyisihan kerugian penurunan nilai secara kolektif dilakukan atas kredit yang diberikan yang tidak signifikan secara individual. Namun bila ada bukti obyektif penurunan nilai khususnya pembayaran pokok atau bunga menunggak lebih dari 90 hari, sistem akan menghitung penurunan nilai secara individual.

Mengukur ECL - Penjelasan input, asumsi dan teknik estimasi

Kerugian Kredit Ekspektasian (ECL) diukur pada basis 12 bulan atau sepanjang umurnya tergantung apakah peningkatan signifikan dalam risiko kredit telah terjadi sejak pengakuan awal atau apakah suatu aset dianggap telah mengalami penurunan nilai. Kerugian kredit ekspektasian adalah hasil diskonto dari PD, EAD, dan LGD, didefinisikan sebagai berikut:

- PD mewakili kemungkinan peminjam gagal bayar atas kewajiban keuangannya (sesuai "definisi default dan kredit yang mengalami penurunan nilai" di atas), baik selama 12 bulan ke depan, atau selama sisa umurnya (PD sepanjang umurnya) dari kewajiban.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Definition of default and credit-impaired assets (continued)

Qualitative criteria (continued)

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties, or non-compliance of the original terms of the contract. The Bank evaluates impairment assessments using two methods: individual and collective impairment assessment.

The Bank determines the allowances for impairment losses for each significant loan on an individual basis.

Items considered when determining allowance for impairment losses include the sustainability of the debtors' business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected payout should bankruptcy occurs, the availability of other financial support, including claim for the insurance party, the realizability of collateral, and the timing of expected cash flows.

The allowance for impairment losses is evaluated at each reporting date. The allowance for impairment losses based on collective evaluation is made for the loans which are not individually significant. But if there is objective evidence of impairment or certain principal payment or interest are outstanding for more than 90 days, the system will calculate the individual impairment.

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD, and LGD, defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "definition of default and credit-impaired" above), either over the next 12 months, or over the remaining lifetime (lifetime PD) of the obligation.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. 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.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

- EAD is based on the amounts the Bank expects to be owed at the time of default, over the next 12 months or over the remaining lifetime (*lifetime EAD*). For example, for a revolving commitment, the Bank includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.
- (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12 months PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. 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.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Measuring ECL – Explanation of inputs, assumptions and estimation techniques (continued)

The 12 month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortising products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by product type and current limit utilisation band, based on analysis of the Bank's recent default data.

The LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type. These LGD's are influenced by collection strategies, including contracted debt sales and price.

Forward-looking economic information is also included in determining the 12 month and lifetime PD, EAD and LGD. These assumptions vary by product type.

The assumptions underlying the ECL calculation- such as how the maturities profile of the PDs and others – are monitored and reviewed on a yearly basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. 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. Bobot skenario ditentukan oleh kombinasi analisis statistik dan analisa kredit, dengan mempertimbangkan kisaran hasil yang mungkin masing-masing skenario yang dipilih mewakili.

Penilaian SICR dilakukan dengan menggunakan PD sepanjang umurnya di masing-masing basis, dan skenario lainnya, dikalikan dengan pembobotan skenario terkait. Hal ini menentukan apakah seluruh instrumen keuangan berada dalam Tahap 1, Tahap 2, atau Tahap 3 dan karenanya apakah ECL 12 bulan atau sepanjang umurnya harus dicatat. Setelah penilaian ini, Bank mengukur ECL sebagai probabilitas tertimbang ECL 12 bulan (Tahap 1), atau probabilitas tertimbang ECL sepanjang umurnya (Tahap 2 dan 3). Probabilitas ECL terbobot ini ditentukan dengan menjalankan setiap skenario melalui model ECL yang relevan dan mengalikannya dengan pembobotan skenario yang sesuai.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

**Forward-looking information incorporated in
the ECL models (continued)**

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Forecasts of these economic variables (the base economic scenario) are provided by the Bank on a quarterly basis and provide the best estimate view of the economy over the next 3 (three) years. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Bank's Economics team also provide other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

The assessment of SICR is performed using the Lifetime PD under each of the base, and the other scenarios, multiplied by the associated scenario weighting. This determines whether the whole financial instrument is in Stage 1, Stage 2, or Stage 3 and hence whether 12-month or lifetime ECL should be recorded. Following this assessment, the Bank measures ECL as either a probability weighted 12 month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Asumsi variabel ekonomi

Seperti halnya perkiraan ekonomi, proyeksi dan kemungkinan terjadinya tunduk pada tingkat ketidakpastian bawaan yang tinggi dan oleh karena itu hasil aktual memungkinkan berbeda secara signifikan dengan yang diproyeksikan. Bank menganggap ramalan ini untuk mewakili perkiraan terbaik dari hasil yang mungkin dan telah menganalisis non-linearitas dan asimetri dalam portofolio Bank yang berbeda untuk menetapkan bahwa skenario yang dipilih tepat mewakili berbagai skenario yang memungkinkan.

Penyisihan kerugian

Penyisihan kerugian yang diakui pada periode tersebut dipengaruhi oleh berbagai faktor, seperti dijelaskan di bawah ini:

- Transfer antara Tahap 1 dan Tahap 2 atau 3 karena instrumen keuangan mengalami peningkatan (atau penurunan) risiko kredit yang signifikan atau menjadi kredit yang mengalami penurunan nilai dalam periode tersebut, dan akibatnya "peningkatan" (atau "penurunan") antara 12 bulan dan ECL sepanjang umurnya;
- Penyisihan tambahan untuk instrumen keuangan baru yang diakui selama periode berjalan, serta penghentian pengakuan instrumen keuangan pada periode tersebut;
- Dampak pada pengukuran ECL karena perubahan PD, EAD dan LGD pada periode tersebut, yang timbul dari perubahan input secara rutin ke model;
- Dampak pada pengukuran ECL karena perubahan yang dilakukan pada model dan asumsi; dan
- Aset keuangan dihentikan pengakuannya selama periode berjalan dan penghapusan cadangan terkait dengan aset yang dihapusbukukan selama periode berjalan.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Economic variable assumptions

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Bank's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent "step up" (or "step down") between 12-month and Lifetime ECL;
- Additional allowances for new financial instruments recognized during the period, as well as releases for financial instruments de-recognized in the period;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Financial assets derecognized during the period and write-offs of allowances related to assets that were written off during the period.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Kebijakan penghapusbukuan

Bank menghapus aset keuangan, seluruhnya atau sebagian, ketika telah melakukan semua upaya pemulihan dan telah menyimpulkan bahwa tidak ada ekspektasi yang wajar atas pemulihan. Indikator bahwa tidak ada ekspektasi pemulihan yang masuk akal termasuk (i) menghentikan aktivitas proses hukum dan (ii) ketika metode pemulihan Bank adalah pengambilalihan agunan dan nilai agunan sedemikian rupa sehingga tidak ada ekspektasi yang wajar untuk pemulihan sepenuhnya.

Bank dapat menghapusbukuan aset keuangan yang masih mengacu pada *enforcement activity*. Jumlah saldo kontraktual dari aset yang dihapusbukuan selama tahun yang berakhir pada tanggal 31 Desember 2022 adalah Rp900.559. Bank masih berupaya untuk memulihkan jumlah yang secara legal terutang sepenuhnya.

Modifikasi aset keuangan

Bank dapat melakukan modifikasi persyaratan pinjaman yang diberikan kepada pelanggan karena negosiasi ulang, atau untuk pinjaman yang bermasalah, dengan maksud untuk memaksimalkan pemulihan.

Kegiatan restrukturisasi tersebut termasuk pengaturan perpanjangan jangka waktu pembayaran, fleksibilitas pembayaran dan keringanan pembayaran. Kebijakan dan praktik restrukturisasi didasarkan pada indikator atau kriteria yang, menurut penilaian manajemen, mengindikasikan bahwa pembayaran kemungkinan besar akan berlanjut. Kebijakan ini terus ditinjau terus menerus. Restrukturisasi paling sering diterapkan pada pinjaman berjangka.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Write-off policy

The Bank writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Bank may write-off financial assets that are still subject to enforcement activity. The outstanding contractual amounts of such assets written off during the year ended December 31, 2022 was Rp900,559. The Bank still seeks to recover amounts it is legally owed in full.

Modification of financial assets

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Modifikasi aset keuangan (lanjutan)

Risiko gagal bayar aset tersebut setelah modifikasi dinilai pada tanggal pelaporan dan dibandingkan dengan risiko berdasarkan ketentuan awal pada saat pengakuan awal, ketika modifikasi tersebut tidak substansial sehingga tidak mengakibatkan penghentian pengakuan aset awal. Bank memantau kinerja selanjutnya dari aset yang dimodifikasi. Bank dapat menentukan bahwa risiko kredit telah meningkat secara signifikan setelah restrukturisasi, sehingga aset dipindahkan dari Tahap 3 atau Tahap 2 (ECL sepanjang umurnya) ke Tahap 1 (ECL 12 bulan).

Bank terus memantau jika terdapat peningkatan risiko kredit berikutnya yang signifikan sehubungan dengan aset tersebut melalui penggunaan model spesifik untuk aset yang dimodifikasi.

Pemetaan risiko kredit – Treasury

Untuk instrumen utang dalam portofolio Treasury, peringkat kredit lembaga pemeringkat eksternal digunakan. Peringkat yang digunakan ini diamati dan diperbarui secara berkelanjutan. Tingkat PD terkait didasarkan pada tingkat gagal bayar yang terealisasi seperti yang diterbitkan oleh lembaga pemeringkat.

Metode pemeringkatan Bank terdiri dari 25 tingkat peringkat. Skala master memberikan masing-masing kategori peringkat kisaran probabilitas gagal bayar yang ditentukan, yang stabil dari waktu ke waktu. Metode penilaian tunduk pada validasi dan kalibrasi ulang tahunan sehingga mencerminkan proyeksi terbaru mengingat semua standar yang sebenarnya diamati.

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Modification of financial assets (continued)

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL).

The Bank continues to monitor if there is a subsequent significant increase in credit risk in relation to such assets through the use of specific models for modified assets.

Credit risk grading – Treasury

For debt securities in the Treasury portfolio, external rating agency credit grade are used. These published grades are continuously monitored and updated. The PD's associated with each grade are determined based on realised default rates as published by the rating agency.

The Bank's rating method comprises 25 rating levels. The master scale assigns each rating category a specified range of probabilities of default, which is stable over time. The rating methods are subject to an annual validation and recalibration so that they reflect the latest projections in the light of all actually observed default.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Kredit yang diberikan dan pembiayaan syariah

Berikut ini adalah risiko kredit berdasarkan klasifikasi evaluasi penurunan nilai pada tanggal 31 Desember 2022 dan 2021:

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Loans and sharia financing

Below are credit risks based on the allowance for impairment losses assessment classification as of December 31, 2022 and 2021:

	2022				
	Tahap 1/ Stage 1	Tahap 2/ Stage 2	Tahap 3/ Stage 3	Jumlah/ Total	
Kredit multiguna	23.578.636	37.542	181.718	23.797.896	Multiguna loan
Kredit modal kerja	2.400.068	104.398	293.573	2.798.039	Working capital loan
Restrukturisasi Covid	3.160.896	33.974	337.404	3.532.274	Covid Restructurisation
Perdagangan besar dan eceran	1.654.813	91.337	200.612	1.946.762	Wholesale and retail
Kredit pegawai	2.050.789	3.144	23.193	2.077.126	Employee loans
Pertambangan, konstruksi, listrik dan transportasi	1.220.386	11.991	119.168	1.351.545	Mining, quarrying, electricity and transportation
Kredit kepemilikan rumah	1.222.011	116.132	241.184	1.579.327	Housing loan
Jasa kemasyarakatan, sosial budaya, hiburan dan perorangan lainnya	747.574	8.375	25.022	780.971	Public, social culture, entertainment and other individual services
Pertanian, perburuan dan kehutanan	748.259	117.445	67.375	933.079	Agriculture, hunting and forestry
Industri pengolahan	1.614.145	20.003	51.057	1.685.205	Processing industry
Kredit usaha rakyat	2.393.551	29.099	12.857	2.435.507	People's business credit
Perantara keuangan	604.442	18.758	24.849	648.049	Financial intermediaries
Linkage program	216.994	-	-	216.994	Linkage program
Penyediaan akomodasi dan penyediaan makan dan minum	129.987	4.617	8.080	142.684	Accommodation, food and beverages
Bukan usaha lainnya dan rumah tangga	147.980	914	328	149.222	Other business and households
Real/estate, usaha persewaan dan jasa perusahaan	18.096	635	10.566	29.297	Real estate, business rental and services
Kredit Usaha Pembibitan Sapi	-	-	2.142	2.142	Cattle Breeding Business Loan
Jasa perorangan yang melayani rumah tangga	8.773	294	499	9.566	Individual service which serve households
Kredit Ketahanan Pangan dan Energi	-	-	317	317	Energy and Food Stability Loan
Kegiatan yang belum jelas batasannya	2.989	-	-	2.989	Limit activities that are not yet clear
Lain-lain	174.194	-	-	174.194	Others
	42.094.583	598.658	1.599.944	44.293.185	
Cadangan kerugian penurunan nilai	(263.059)	(61.303)	(911.041)	(1.235.403)	Allowance for impairment losses
Konvensional - Neto	41.831.524	537.355	688.903	43.057.782	Conventional - Net
Mengalami penurunan nilai/ Impaired					
	Tidak mengalami penurunan nilai/ Not-impaired	Individu/ Individual	Kolektif/ Collective	Jumlah/ Total	
Syariah	1.802.438	101.034	-	1.903.472	Sharia
Cadangan kerugian penurunan nilai	(33.308)	(49.901)	-	(83.209)	Allowance for impairment losses
Syariah - Neto	1.769.130	51.133	-	1.820.263	Sharia - Net
Jumlah, neto	43.600.654	588.488	688.903	44.878.045	Total, net

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

	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
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	Individual/ 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

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

Mutasi penyisihan kerugian penurunan nilai berdasarkan jenis kredit yang diberikan dan pembiayaan syariah:

	2022			
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumption	Jumlah/ Total
Saldo awal tahun	1.192.221	257.879	381.317	1.831.417
Penyisihan tahun berjalan	267.676	52.363	67.715	387.754
Penghapusan tahun berjalan	(666.582)	(110.757)	(123.220)	(900.559)
Saldo 31 Desember 2022	<u>793.315</u>	<u>199.485</u>	<u>325.812</u>	<u>1.318.612</u>
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	570.537	92.889	203.467	866.893
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	222.778	106.596	122.345	451.719
Saldo 31 Desember 2022	<u>793.315</u>	<u>199.485</u>	<u>325.812</u>	<u>1.318.612</u>
	2021			
	Modal kerja/ Working capital	Investasi/ Investment	Konsumsi/ Consumption	Jumlah/ Total
Saldo awal tahun	960.358	239.533	254.830	1.454.721
Penyisihan tahun berjalan	261.450	22.153	149.514	433.117
Penghapusan tahun berjalan	(29.587)	(3.807)	(23.027)	(56.421)
Saldo 31 Desember 2021	<u>1.192.221</u>	<u>257.879</u>	<u>381.317</u>	<u>1.831.417</u>
Penyisihan kerugian atas kredit yang mengalami penurunan nilai secara individual	1.179.676	249.657	332.682	1.762.015
Penyisihan kerugian penurunan nilai secara kolektif atas kredit yang tidak mengalami penurunan nilai	12.545	8.222	48.635	69.402
Saldo 31 Desember 2021	<u>1.192.221</u>	<u>257.879</u>	<u>381.317</u>	<u>1.831.417</u>

Balance at beginning of year
Provision during the year
Written-off during the year
Balance at December 31, 2022

Individual impairment

Collective impairment for non impaired loans
Balance at December 31, 2022

Balance at beginning of year
Provision during the year
Written-off during the year
Balance at December 31, 2021

Individual impairment

Collective impairment for non impaired loans
Balance at December 31, 2021

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

Tabel di bawah menunjukkan kualitas kredit per jenis instrumen keuangan yang belum jatuh tempo dan tidak mengalami penurunan nilai (di luar cadangan kerugian penurunan nilai):

	2022			
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither st due nor impaired</i>	Tingkat standar/ <i>Standard grade</i>	Jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>
	Tingkat tinggi/ <i>High grade</i>			Jumlah/ <i>Total</i>
Biaya perolehan diamortisasi				
Surat Utang Negara	12.025.332	-	-	12.025.332
Reksadana	90.000	-	-	90.000
Obligasi	1.851.074	-	-	1.851.074
Sukuk Bank Indonesia	400.000	-	-	400.000
<i>Negotiable Certificate of Deposit</i>	47.237	-	-	47.237
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	325.000	-	-	325.000
Wesel	2.418	-	-	2.418
	14.741.062	-	-	14.741.062
Nilai wajar melalui pendapatan komprehensif lain				
Surat Utang Negara	8.476.609	-	-	8.476.609
Biaya perolehan diamortisasi				
Giro pada Bank Indonesia	10.786.740	-	-	10.786.740
Giro pada bank lain	303.129	-	-	303.129
Penempatan pada Bank Indonesia dan bank lain	6.916.329	-	-	6.916.329
Tagihan spot dan derivatif	361	-	-	361
Tagihan reverse repo	7.822.847	-	-	7.822.847
Tagihan lainnya	286.147	-	-	286.147
Kredit yang diberikan dan pembiayaan syariah				
Modal kerja	-	10.259.372	-	10.259.372
Investasi	-	6.448.282	-	6.448.282
Konsumsi	-	28.179.834	-	28.179.834
Pendapatan bunga yang masih akan diterima	-	646.125	-	646.125
Jumlah	49.333.224	45.533.613	-	94.866.837
Cadangan kerugian penurunan nilai	-	(499.126)	-	(499.126)
Neto	49.333.224	45.034.487	-	94.364.711

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Loans and sharia financing (continued)

The table below shows credit quality per class of financial assets (gross of allowance for impairment losses):

Amortized cost
Government's bonds
Mutual Funds
Bonds
Sukuk of Bank Indonesia
Negotiable Certificate of Deposit
Interbank Mudharabah
Investment Certificate
Bill
Fair value through other comprehensive income
Government's bonds
Amortized cost
Currents account with Bank Indonesia
Currents account with other banks
Placement with bank Indonesia and other banks
Spot and derivative receivables
Reverse repo receivables
Other receivables
Loans and sharia financing
Working capital
Investment
Consumption
Interest receivables
Total
Allowances for impairment losses
Net

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Kredit yang diberikan dan pembiayaan syariah (lanjutan)

	2021				
	Belum jatuh tempo dan tidak mengalami penurunan nilai/ <i>Neither st due nor impaired</i>	Tingkat standar/ <i>Standard grade</i>	Jatuh tempo tetapi tidak mengalami penurunan nilai/ <i>Past-due but not impaired</i>	Mengalami penurunan nilai/ <i>Impaired</i>	Jumlah/ <i>Total</i>
	Tingkat tinggi/ <i>High grade</i>				
Biaya perolehan diamortisasi					
Surat Utang Negara	15.530.273	-	-	-	15.530.273
Reksadana	2.339.000	-	-	-	2.339.000
Obligasi	2.071.699	-	-	-	2.071.699
Sukuk Bank Indonesia	541.392	-	-	-	541.392
Negotiable Certificate of Deposit	206.095	-	-	-	206.095
Sertifikat Investasi Mudharabah Antar Bank (SIMA)	139.000	-	-	-	139.000
Wesel	6.747	-	-	-	6.747
	20.834.206	-	-	-	20.834.206
Nilai wajar melalui pendapatan komprehensif lain					
Surat Utang Negara	11.554.760	-	-	-	11.554.760
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	-	8.520.925	-	1.147.719	9.668.644
Investasi	-	5.585.250	-	240.526	5.825.776
Konsumsi	-	26.727.012	-	528.127	27.255.139
Pendapatan bunga yang masih akan diterima	-	793.900	-	-	793.900
Jumlah	54.974.345	41.627.087	-	1.916.372	98.517.805
Cadangan kerugian penurunan nilai	-	(77.347)	-	(1.787.474)	(1.864.821)
Neto	54.974.346	41.549.740	-	128.898	96.652.984

Amortized cost
Government's bonds
Mutual Funds
Bonds
Sukuk of Bank Indonesia
Negotiable Certificate of Deposit
Interbank Mudharabah Investment Certificate
Bill

Fair value through other comprehensive income
Government's bonds

Amortized cost
Currents account with Bank Indonesia
Currents account with other bank
Placement with bank Indonesia and other bank
Reverse repo receivables
Other receivables
Loans and sharia financing
Working capital
Investment
Consumption

Interest receivables
Total
Allowances for impairment losses
Net

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

43. RISIKO KREDIT (lanjutan)

e. Evaluasi penurunan nilai (lanjutan)

Pemetaan risiko kredit – Treasury (lanjutan)

Kualitas kredit didefinisikan sebagai berikut:

Tingkat tinggi

- i. Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain yaitu giro atau penempatan pada institusi Pemerintah, transaksi dengan bank yang memiliki reputasi baik dengan tingkat kemungkinan gagal bayar atas kewajiban yang rendah.
- ii. Kredit yang diberikan dan pembiayaan syariah, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang sangat baik dan tidak pernah menunggak sepanjang jangka waktu kredit, debitur dengan stabilitas dan keragaman yang tinggi; memiliki akses setiap saat untuk memperoleh pendanaan dalam jumlah besar dari pasar terbuka; memiliki kemampuan membayar yang kuat dan rasio-rasio posisi keuangan yang konservatif.
- iii. Efek-efek dan obligasi Pemerintah yaitu surat berharga yang dikeluarkan oleh Pemerintah, efek-efek dan obligasi yang termasuk dalam *investment grade* dengan rating minimal BBB- (Pefindo) atau Baaa3 (Moody's).

Tingkat standar

- i. Giro dan penempatan pada bank lain yaitu giro atau penempatan pada bank lokal yang tidak terdaftar di bursa.
- ii. Kredit yang diberikan dan pembiayaan syariah, bunga yang masih akan diterima, dan tagihan kepada pihak ketiga yaitu debitur dengan riwayat pembayaran yang baik dan tidak pernah menunggak 90 hari atau lebih; akses terbatas ke pasar modal atau ke pasar keuangan lainnya; tingkat pendapatan dan kinerja keseluruhan tidak stabil; memiliki kemampuan membayar yang cukup.
- iii. Efek-efek dan obligasi Pemerintah yaitu efek-efek dan obligasi dengan rating antara idBB+ sampai dengan idB (Pefindo) atau Ba1 sampai dengan B2 (Moody's).

43. CREDIT RISK (continued)

e. Impairment assessment (continued)

Credit risk grading – Treasury (continued)

The credit quality are defined as follows:

High grade

- i. Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with the governmental institutions, transacted with reputable banks with low probability of insolvency.
- ii. Loans and sharia financing, interest receivables and third party receivables are borrowers with very satisfactory track record of loan repayment and whose accounts did not turn past due during the term of the loan; borrowers with high degree of stability and diversity; has access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative financial position ratios.
- iii. Securities and Government bonds are Sovereign securities; investment grade securities and bonds with a rating of at least BBB- (Pefindo) or Baaa3 (Moody's).

Standard grade

- i. Current accounts and placements with other banks are current accounts or placements with the local banks not listed in the stock exchange.
- ii. Loans and sharia financing, interest receivable and third party receivables who are borrowers with an average track record of loan repayment and whose accounts did not turn past due for 90 days and over, small corporations with limited access to public capital markets or to alternative financial market; volatility of earnings and overall performance; debt service capacity is adequate.
- iii. Securities and Government bonds are securities and bonds with a rating between idBB+ to idB (Pefindo) or Ba1 to B2 (Moody's).

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

44. RISIKO PASAR

Risiko pasar adalah risiko yang terjadi pada posisi laporan posisi keuangan dan rekening administratif, karena adanya perubahan variabel pasar. Variabel pasar seperti tingkat bunga dan nilai tukar. Risiko pasar hampir melekat pada seluruh kegiatan operasional Bank, baik pada *banking book* maupun *trading book*.

Pengelolaan risiko pasar dilakukan sesuai dengan kebijakan dan prosedur Bank yang berkaitan dengan produk dan jasa serta aktivitas treasury dan risiko yang melekat pada bisnis.

Risiko suku bunga timbul akibat perubahan harga instrumen keuangan dari posisi *trading book* atau akibat perubahan nilai ekonomis posisi *banking book*, karena perubahan suku bunga.

Dalam mengelola risiko suku bunga dilakukan pada eksposur *banking book*, dengan memperhatikan posisi gap aset dan liabilitas Bank yang sensitif terhadap pergerakan suku bunga yang mempengaruhi stabilitas tingkat profitabilitas Bank.

Tabel di bawah ini merupakan rata-rata tingkat suku bunga kontraktual per tahun untuk aset dan liabilitas keuangan yang signifikan pada tanggal 31 Desember 2022 dan 2021:

44. MARKET RISK

Market risk is the risks on the statement of financial position and administrative accounts due to changes in market variables. Market variables consist of interest rates and exchange rates. Market risk is an inherent risk in most of the Bank's operational activities involving the banking books and the trading books.

Management of market risk is performed in accordance with the Bank's policies and procedures related with the products and services and also treasury activities and the inherent risk of the business.

Interest rate risk is risk as the effect of changes in the financial instrument prices from the trading book position or the effect of changes of the economic value position of the banking book because of the change in the interest rate.

Management of interest rate risk is performed on the banking book exposure by considering the gap position of the Bank's assets and liabilities, which are sensitive to interest rate movements, which influence the stability of the Bank's profitability level.

The tables below summarize the average of contractual interest rates per annum for significant financial assets and liabilities as of December 31, 2022 and 2021:

	2022		
	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	0.02%	0.04%	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	1.33%	0.47%	Placements with Bank Indonesia and other banks
Surat-surat berharga	7.99%	0.00%	Marketable securities
Surat berharga yang dijual dengan janji dibeli kembali	5.38%	0.00%	Marketable securities sold under repurchased agreement
Surat berharga yang dibeli dengan janji dijual kembali	5.80%	0.00%	Marketable securities purchased under resale agreement
Kredit yang diberikan dan pembiayaan syariah	10.50%-12.75%	0.00%	Loans and sharia financing
Liabilitas			Liabilities
Simpanan dari nasabah	0.00% - 2.74%	0.00% - 0.16%	Deposits from customers
Simpanan dari bank lain	0.00% - 2.27%	-	Deposits from other banks

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. RISIKO PASAR (lanjutan)

44. MARKET RISK (continued)

	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

Tabel berikut mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (*gross*) yang mungkin berdampak kepada arus kas di masa depan pada tanggal 31 Desember 2022 dan 2021:

The table below summarizes the Bank's exposure to interest rate risk (*gross*) which may affect the future cash flows as of December 31, 2022 and 2021:

2022						
Suku bunga mengambang/ Floating interest rate						
	Tidak lebih dari 3 bulan/ Not more than 3 months	3 bulan tetapi tidak lebih dari 1 tahun/ 3 months but less than 1 year	1 tahun dan lebih/ 1 year and up	Suku bunga tetap/ Fixed interest rate	Tidak dikenakan bunga/ Non-interest bearing	Total/ Total
Aset keuangan						Financial assets
Kas	1.988.262	-	-	-	-	1.988.262
						Cash
Giro pada Bank Indonesia	10.786.740	-	-	-	-	10.786.740
Giro pada bank lain	302.688	-	-	-	-	302.688
Penempatan pada Bank Indonesia dan bank lain	6.913.175	-	-	-	-	6.913.175
Surat-surat berharga						Marketable securities
Biaya perolehan diamortisasi	1.578.463	4.995.096	8.167.102	-	-	14.740.661
Nilai wajar melalui pendapatan komprehensif lain	-	-	8.476.609	-	-	8.476.609
Surat berharga dijual dengan janji dibeli kembali	4.095.066	-	-	-	-	4.095.066
Surat berharga dibeli dengan janji dijual kembali	7.822.847	-	-	-	-	7.822.847
Tagihan lainnya	286.147	-	-	-	-	286.147
Kredit yang diberikan dan pembiayaan syariah						Loans and sharia financing
Modal kerja	-	-	-	10.968.010	-	10.968.010
Investasi	-	-	-	6.570.658	-	6.570.658
Konsumsi	-	-	-	28.657.989	-	28.657.989
Pendapatan bunga yang masih akan diterima	74.213	14.396	557.516	-	-	646.125
Jumlah aset keuangan	33.847.601	5.009.492	17.201.227	46.196.657	-	102.254.977
Liabilitas keuangan						Financial liabilities
Liabilitas segera	872.514	-	-	-	-	872.514
Simpanan dari nasabah						Obligations due immediately
Giro	23.634.773	-	-	-	-	23.634.773
Tabungan	26.343.817	-	-	-	-	26.343.817
Deposito berjangka	-	-	-	31.788.793	-	31.788.793
Simpanan dari bank lain	3.334.563	4.560	-	-	-	3.339.123
Kewajiban spot dan derivatif	-	-	-	-	-	-
Pinjaman yang diterima	-	481.532	-	-	71.867	553.399
Beban yang masih harus dibayar	520.840	-	-	-	-	520.840
Liabilitas lain-lain	550.119	-	-	-	-	550.119
Jumlah liabilitas keuangan	55.256.626	486.092	-	31.788.793	71.867	87.603.378
Gap repricing suku bunga, neto	(21.409.025)	4.523.400	17.201.227	14.407.864	(71.867)	14.651.599

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. RISIKO PASAR (lanjutan)

Tabel berikut mengikhtisarkan eksposur Bank terhadap risiko tingkat suku bunga (*gross*) yang mungkin berdampak kepada arus kas di masa depan pada tanggal 31 Desember 2022 dan 2021 (lanjutan):

44. MARKET RISK (continued)

The table below summarizes the Bank's exposure to interest rate risk (*gross*) which may affect the future cash flows as of December 31, 2022 and 2021 (continued):

2021						
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	2.023.077	-	-	-	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 dijual dengan janji dibeli kembali	-	-	-	-	-	Marketable securities sold under repurchased agreement
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	-	-	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	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)	Net interest repricing gap

Tabel berikut menunjukkan sensitivitas terhadap kemungkinan perubahan satu poin presentase suku bunga yang wajar, dengan semua variabel lainnya tetap konstan, dalam laporan laba rugi dan penghasilan komprehensif lain Bank. Sensitivitas laporan laba rugi komprehensif adalah dampak dari perubahan asumsi suku bunga pada laporan laba rugi dan penghasilan komprehensif lain pada periode tersebut. Sensitivitas total laba atau rugi didasarkan pada asumsi bahwa ada pergeseran paralel pada kurva hasil.

The following table demonstrates the sensitivity to a reasonable possible change one percentage point in interest rates, with all other variables held constant, of the Bank's statements of profit or loss and other comprehensive income. The sensitivity of the statement of profit or loss and other comprehensive income is the effect of the assumed changes in interest rates on the statement of comprehensive income for the period. The total sensitivity of profit or loss is based on the assumption that there are parallel shifts in the yield curve.

	31 Desember 2022/December 31, 2022		
	Kenaikan/ Increase	Penurunan/ Decrease	
Pengaruh terhadap laporan laba rugi dan penghasilan komprehensif lain	23.798	(23.798)	Impact to statement of profit or loss and other comprehensive income

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

44. RISIKO PASAR (lanjutan)

Bank memiliki eksposur terhadap risiko tingkat suku bunga dalam mata uang Dolar Singapura, Dolar Amerika Serikat, Euro dan lainnya.

Risiko nilai tukar adalah risiko nilai instrumen keuangan yang akan berfluktuasi karena adanya perubahan dalam nilai tukar valuta asing.

Risiko mata uang adalah kemungkinan kerugian pendapatan yang timbul dari perubahan kurs valuta asing. Bank mengelola *exposure* terhadap pengaruh fluktuasi nilai tukar mata uang asing dengan mempertahankan risiko mata uang asing dalam pedoman peraturan yang ada (yakni menjaga Posisi Devisa Neto sesuai dengan peraturan Bank Indonesia).

Pada tanggal 31 Desember 2022 dan 2021, pengaruh nilai tukar mata uang asing tidak signifikan terhadap Bank.

45. RISIKO LIKUIDITAS

Risiko likuiditas adalah risiko akibat ketidakmampuan Bank untuk memenuhi liabilitas yang jatuh tempo dari sumber pendanaan arus kas dan/atau dari aset likuid berkualitas tinggi yang dapat diagunkan tanpa mengganggu aktivitas dan kondisi keuangan Bank.

Bank melakukan pengukuran risiko likuiditas menggunakan *Liquidity Risk Model* dengan metodologi *maturity profile gap*. Pengelolaan kondisi likuiditas harian dilakukan oleh Unit Treasury dan perubahan eksternal serta makro ekonomi yang terjadi dengan segera diinformasikan dan diambil strategi serta kebijakan internal antara lain melalui mekanisme *Asset and Liabilities Committee* (ALCO).

44. MARKET RISK (continued)

The Bank has other exposure to interest rate risks in Singapore Dollar, United States Dollar, Euro and others.

Foreign exchange risk is the risk on the financial instruments value, which will fluctuate due to exchange rate volatility.

Foreign currency risk is the probability of loss of earnings arising from changes in foreign exchange rates. The Bank manages exposure to effects of fluctuations in foreign currency exposure within the existing regulatory guidelines (i.e. maintaining the Net Open Position based on Bank Indonesia regulations).

As of December 31, 2022 and 2021, the effect of foreign exchange rates fluctuations is insignificant to the Bank.

45. LIQUIDITY RISK

Liquidity risk is the risk which is caused by the Bank's inability to fulfil its obligations when they become due from cash flow financing sources and/or high quality liquid assets that can be pledged without affecting the Bank's activities and financial condition.

The Bank measures liquidity risk using the *Liquidity Risk Model* based on maturity profile gap methodology. Daily liquidity condition management is performed by the Treasury Unit and external and macro economic changes are immediately informed, and strategy and internal policies are undertaken, among others, through the *Asset and Liabilities Committee* (ALCO) mechanism.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

45. RISIKO LIKUIDITAS (lanjutan)

Rasio dari aset likuid neto terhadap simpanan nasabah adalah sebagai berikut:

	2022
Kas dan setara kas	19.994.460
Surat berharga yang dijual dengan janji dibeli kembali	4.095.066
Tagihan reverse repo	7.822.847
Simpanan dari bank lain	3.339.123
Jumlah	35.251.496
Simpanan dari nasabah	81.767.383
Rasio aset likuid neto terhadap simpanan dari nasabah	43,11%

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (pokok saja) pada tanggal 31 Desember 2022 dan 2021:

45. LIQUIDITY RISK (continued)

The ratio of net liquid assets to deposits from customers are as follows:

	2021	
Cash and cash equivalent	20.957.753	
Marketable securities sold under purchased agreement	-	
Reverse repo receivables	3.420.685	
Deposits from other banks	4.187.900	
Total	28.566.338	
Deposits from customers	83.201.867	
Ratio of net liquid assets to deposit from customers	34,33%	

The following maturity tables provide information about the expected maturities within which financial assets and liabilities (principal only) as of December 31, 2022 and 2021:

	2022						
	Nilai tercatat/ Carrying value	Kurang dari 1 bulan/ Less than 1 month	1- 3 bulan/ months	3 - 6 bulan/ months	6 - 12 bulan/ months	Lebih dari 12 bulan/ More than 12 months	
Aset keuangan							Financial assets
Kas	1.988.262	1.988.262	-	-	-	-	Cash
Giro pada Bank Indonesia	10.786.740	230.541	-	-	-	10.556.199	Current accounts with Bank Indonesia
Giro pada bank lain	302.688	302.688	-	-	-	-	Current accounts with other banks
Penempatan pada Bank Indonesia dan bank lain	6.913.175	6.306.518	606.657	-	-	-	Placements with Bank Indonesia and other banks
Surat-surat berharga							Marketable securities
Biaya perolehan diamortisasi	14.740.661	725.515	852.948	2.367.794	2.627.302	8.167.102	Amortized cost
Nilai wajar melalui pendapatan komprehensif lain	8.476.609	-	-	-	-	8.476.609	Fair value through other comprehensive income
Surat berharga dijual dengan janji dibeli kembali	4.095.066	4.095.066	-	-	-	-	Marketable securities sold under repurchased agreement
Surat berharga dibeli dengan janji dijual kembali	7.822.847	7.440.160	-	-	192.726	189.961	Marketable securities purchased under resale agreement
Tagihan lainnya	286.147	286.147	-	-	-	-	Other receivable
Kredit yang diberikan pembiayaan syariah							Loans and sharia financing
Modal kerja	10.174.698	474.092	591.709	1.027.046	1.904.233	6.177.618	Working capital
Investasi	6.371.172	35.082	2.414	7.284	32.541	6.293.851	Investment
Konsumsi	28.332.175	16.380	25.106	68.179	320.447	27.902.063	Consumption
Pendapatan bunga yang masih akan diterima	646.125	25.795	48.418	9.901	4.495	557.516	Interest receivable
Jumlah	100.936.365	21.926.246	2.127.252	3.480.204	5.081.744	68.320.919	Total
Liabilitas keuangan							Financial liabilities
Liabilitas segera	916.091	916.091	-	-	-	-	Obligations due immediately
Simpanan dari nasabah	81.767.383	11.214.472	16.200.878	1.699.788	10.878.340	41.773.905	Deposits from customers
Simpanan dari bank lain	3.339.123	3.287.933	46.630	60	4.500	-	Deposits from other banks
Pinjaman yang diterima	553.399	150.517	-	-	-	402.882	Borrowings
Beban yang masih harus dibayar	520.840	520.840	-	-	-	-	Accrued expenses
Liabilitas lain-lain	550.119	550.119	-	-	-	-	Other liabilities
Jumlah	87.646.955	16.639.972	16.247.508	1.699.848	10.882.840	42.176.787	Total
Perbedaan jatuh tempo	13.289.410	5.286.274	(14.120.256)	1.780.356	(5.801.096)	26.144.132	Maturity gap

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

45. RISIKO LIKUIDITAS (lanjutan)

Tabel jatuh tempo berikut menyajikan informasi mengenai perkiraan sisa jatuh tempo dari aset dan liabilitas keuangan (pokok saja) pada tanggal 31 Desember 2022 dan 2021 (lanjutan):

	2021					
	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						
Kas	2.023.077	2.023.077	-	-	-	-
Giro pada Bank Indonesia	8.805.300	1.781.878	-	-	-	7.023.422
Giro pada bank lain	211.443	211.443	-	-	-	-
Penempatan pada Bank Indonesia dan bank lain	9.915.932	9.313.829	290.619	252.644	39.861	18.979
Surat-surat berharga						
Biaya perolehan diamortisasi	20.828.263	3.404.795	2.618.064	1.668.261	911.035	12.226.108
Nilai wajar melalui pendapatan komprehensif lain	11.554.760	10.536.388	1.018.372	-	-	-
Surat berharga dibeli dengan janji dijual kembali	3.420.685	3.420.685	-	-	-	-
Tagihan lainnya	230.019	230.019	-	-	-	-
Kredit yang diberikan						
pembiayaan syariah						
Modal kerja	8.476.424	969.980	624.357	1.344.396	1.894.283	3.643.408
Investasi	5.567.896	115.976	3.395	7.582	23.170	5.417.773
Konsumsi	26.873.822	21.785	16.361	53.678	238.264	26.543.734
Pendapatan bunga yang masih akan diterima	793.900	2.628	11.869	17.399	17.953	744.051
Jumlah	98.701.521	32.032.483	4.583.037	3.343.960	3.124.566	55.617.475
Liabilitas keuangan						
Liabilitas segera	593.875	593.875	-	-	-	-
Simpanan dari nasabah	83.201.867	12.511.223	19.267.011	4.511.689	3.899.151	43.012.793
Simpanan dari bank lain	4.187.900	4.043.920	142.920	60	1.000	-
Pinjaman yang diterima	655.288	257.993	-	7.410	-	389.885
Beban yang masih harus dibayar	478.647	478.647	-	-	-	-
Liabilitas lain-lain	529.738	529.738	-	-	-	-
Jumlah	89.647.315	18.415.396	19.409.931	4.519.159	3.900.151	43.402.678
Perbedaan jatuh tempo	9.054.206	13.617.087	(14.826.894)	(1.175.199)	(775.585)	12.214.797

Financial assets
Cash
Current accounts with Bank Indonesia
Current accounts with other banks
Placements with Bank Indonesia and other banks
Marketable securities
Amortized cost
Fair value through other comprehensive income
Marketable securities purchased under resale agreement
Other receivable
Loans and sharia financing
Working capital
Investment
Consumption
Interest receivable
Total
Financial liabilities
Obligations due immediately
Deposits from customers
Deposits from other banks
Borrowings
Accrued expenses
Other liabilities
Total
Maturity gap

46. RISIKO OPERASIONAL

Risiko operasional adalah risiko akibat ketidakcukupan dan/atau tidak berfungsinya proses internal, kesalahan manusia, kegagalan sistem, dan/atau adanya kejadian-kejadian eksternal yang mempengaruhi operasional Bank.

Dalam mengelola risiko operasional, *risk owner* bertanggung jawab atas risiko yang terjadi pada unitnya masing-masing. Tata cara pengendalian risiko tersebut diatur dalam kebijakan Bank secara menyeluruh dan prosedur operasional pada setiap unit.

45. LIQUIDITY RISK (continued)

The following maturity tables provide information about the expected maturities within which financial assets and liabilities (principal only) as of December 31, 2022 and 2021 (continued):

46. OPERATIONAL RISK

Operational risk is the risk resulting from inadequate and/or failure of internal processes, people, systems, and/or from external events which affect the Bank's operations.

In managing operational risk, the risk owner is responsible for the risk that occurs in the respective units. Risk management is regulated in the Bank's overall policies and operational procedures in each unit.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

46. RISIKO OPERASIONAL (lanjutan)

Metode dan kebijakan dalam pengendalian risiko operasional dilaksanakan diantaranya melalui:

- i. Pengkajian terhadap kebijakan, pedoman, dan prosedur pengendalian internal sesuai dengan kondisi perkembangan dunia perbankan, kebijakan pemerintah dan limitasi operasional yang telah ditetapkan;
- ii. Pengkajian dan penerapan *Disaster Recovery Plan* sebagai langkah antisipasi atas kejadian internal maupun eksternal yang berpotensi menimbulkan kerugian;
- iii. Tindakan koreksi terhadap hasil temuan audit; dan
- iv. Pengkajian dari penerapan Rencana Kontinjensi Usaha dalam pengelolaan dan pengendalian aktivitas Bank.

47. RISIKO HUKUM

Risiko hukum adalah risiko akibat tuntutan hukum dan/atau kelemahan aspek yuridis, yang antara lain disebabkan ketiadaan peraturan perundang-undangan yang mendukung, atau kelemahan perikatan seperti tidak dipenuhinya syarat sahnya kontrak dan pengikatan agunan yang tidak sempurna.

Identifikasi risiko hukum dilakukan pada seluruh aktivitas fungsional yang melekat pada perkreditan, *treasury*, operasional, sistem informasi teknologi dan pengelolaan sumber daya manusia.

48. RISIKO REPUTASI

Risiko reputasi adalah risiko akibat menurunnya tingkat kepercayaan *stakeholder* yang bersumber dari persepsi negatif terhadap Bank.

Identifikasi risiko reputasi dilakukan secara berkala sesuai dengan pengalaman kerugian di masa lalu yang disebabkan oleh risiko reputasi. Penilaian risiko reputasi dilakukan secara kualitatif antara lain bersumber dari pemberitaan negatif yang muncul dari masyarakat/nasabah dan keluhan nasabah.

46. OPERATIONAL RISK (continued)

The methods and policies involving operational risk management are performed, among others, through the following:

- i. Evaluation of internal control policies, guidance, and procedures in accordance with the banking industry development, government policies, and pre-determined operational limits;*
- ii. Evaluation and implementation of a Disaster Recovery Plan as the anticipated procedures to be applied during internal and external potential loss events;*
- iii. Implementing corrective actions based on audit results; and*
- iv. Reviewing the implementation of the Business Contingency Plan in the management and control of the Bank's activities.*

47. LEGAL RISK

Legal risk is the risk due to legal aspects, legal claims and/or weaknesses in agreements which among others are caused by the absence of supporting regulations, weaknesses in agreements such as the criteria for valid contracts is not fulfilled, and collateral arrangements are inappropriate.

Legal risk identification is performed for all functional activities that are inherent to loan, treasury, operational and information technology systems and human resources management.

48. REPUTATION RISK

Reputation risk is the risk due to a decrease in the stakeholders' trust that results from a negative perception of the Bank.

Reputation risk identification is performed periodically based on the knowledge of historical losses due to reputation risk. Reputation risk valuation is performed qualitatively among others from negative publications and commentaries from the public/customers and customer's complaints.

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

49. RISIKO KEPATUHAN

Risiko kepatuhan adalah risiko yang terjadi karena Bank tidak mematuhi dan/atau tidak melaksanakan ketentuan internal dan peraturan perundang-undangan. Pada praktiknya, risiko kepatuhan melekat pada risiko Bank yang terkait pada peraturan perundang-undangan, ketentuan kehati-hatian dan ketentuan lain yang berlaku, seperti:

- i. Risiko kredit terkait dengan ketentuan Kewajiban Penyediaan Modal Minimum (KPMM), Kualitas Aset, Pembentukan Cadangan Kerugian Penurunan Nilai (CKPN), dan Batas Maksimum Pemberian Kredit (BMPK);
- ii. Risiko pasar terkait dengan ketentuan Posisi Devisa Neto (PDN); dan
- iii. Risiko lain yang terkait dengan ketentuan eksternal dan internal.

Identifikasi risiko kepatuhan dilakukan secara berkala sesuai dengan pengalaman kerugian di masa lalu yang disebabkan oleh risiko kepatuhan dan pengukuran risiko kepatuhan juga dilakukan melalui perhitungan risiko berdasarkan data kerugian akuntansi dengan menggunakan pendekatan distribusi kerugian untuk perhitungan *capital charges*.

50. RISIKO STRATEJIK

Risiko strategik adalah risiko akibat ketidaktepatan dalam pengambilan dan/atau pelaksanaan suatu keputusan strategik serta kegagalan dalam mengantisipasi perubahan lingkungan bisnis. Identifikasi risiko strategik dilakukan secara berkala sesuai dengan pengalaman kerugian dimasa lalu yang disebabkan oleh risiko strategik. Pengendalian risiko strategik dilakukan melalui monitoring pencapaian/realisasi atas anggaran yang sudah ditetapkan secara berkala dan dilanjutkan dengan mitigasi dari faktor-faktor penyebab kegagalan.

51. MANAJEMEN MODAL

Tujuan utama dari kebijakan Bank atas kebijakan pengelolaan modal adalah untuk memastikan bahwa Bank memiliki modal yang kuat untuk mendukung strategi pengembangan ekspansi usaha Bank saat ini dan mempertahankan kelangsungan pengembangan di masa mendatang serta untuk memenuhi ketentuan kecukupan permodalan yang ditetapkan oleh regulator serta memastikan agar struktur permodalan Bank telah efisien.

Bank menyusun Rencana Permodalan berdasarkan penilaian dan penelaahan atas kebutuhan kecukupan permodalan yang dipersyaratkan dan mengkombinasikannya dengan tinjauan perkembangan ekonomi terkini. Bank senantiasa akan menghubungkan tujuan keuangan dan kecukupan modal terhadap risiko yang dapat ditoleransi melalui proses perencanaan modal, begitu pula dengan bisnis yang disesuaikan dengan tingkat permodalan dan persyaratan likuiditas Bank.

49. COMPLIANCE RISK

Compliance risk is the risk incurred because the Bank has not complied with and/or has not implemented appropriate internal policies and regulations. In practice, compliance risk is inherent to the Bank's risk related to regulations, prudential provisions and other provisions, such as:

- i. Credit risk related to Capital Adequacy Ratio (CAR), Asset Quality, Allowance for Impairment Losses, and Legal Lending Limit (LLL) regulations;*
- ii. Market risk related to Net Open Position (NOP) regulations; and*
- iii. Other risks related to external and internal regulations.*

Compliance risk identification is performed periodically based on the knowledge of historical losses due to compliance risk and is measured through risk calculations based on accounting loss data using a loss distribution approach for calculating capital charges.

50. STRATEGIC RISK

Strategic risk is the risk due to inaccurate decision making and/or implementation of strategic decisions and failure in anticipating business environment changes. Strategic risk identification is performed periodically based on knowledge of historical losses due to strategic risk. Strategic risk control is performed through periodical monitoring the realization of the budget determined periodically, followed by the investigation of the factors that cause failures.

51. CAPITAL MANAGEMENT

The primary objectives of the Bank's capital management policy are to ensure that the Bank has a strong capital to support the Bank's business expansion strategy currently, to sustain future development of the business, to meet regulator capital adequacy requirements and also to ensure the efficiency of Bank's capital structure.

Bank undertakes Capital Planning based on assessment and review of the capital situation in terms of the legal capital adequacy requirement, combined with assessment of economic outlooks. Bank will continue to link financial and capital adequacy goals to risk which can be tolerated appetite through the capital planning process method as well as assess the businesses based on Bank's capital and liquidity requirements.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

51. MANAJEMEN MODAL (lanjutan)

Kebutuhan permodalan Bank juga direncanakan dan didiskusikan secara rutin yang didukung dengan data-data analisis.

Rencana Permodalan disusun oleh Dewan Direksi sebagai bagian dan Rencana Bisnis Bank dan disetujui oleh Dewan Komisaris. Perencanaan ini diharapkan akan memastikan tersedianya modal yang cukup dan terciptanya struktur permodalan yang kuat guna mendukung pertumbuhan bisnis ke depan.

Otoritas Jasa Keuangan (OJK) menentukan dan mengawasi kebutuhan modal Bank. Bank diwajibkan untuk menaati peraturan yang berlaku dalam hal ini modal yang diwajibkan regulator. Pendekatan Bank terhadap pengelolaan modal ditentukan oleh strategi dan persyaratan organisasi bank, dengan memperhitungkan peraturan, serta keadaan ekonomi dan komersial.

Bank mematuhi semua persyaratan modal yang ditetapkan oleh pihak regulator sepanjang periode pelaporan, khususnya berkenaan dengan perhitungan Kewajiban Penyediaan Modal Minimum (KPM) dan Aktiva Tertimbang Menurut Risiko (ATMR).

Bank menghitung kebutuhan modal berdasarkan POJK No.34/POJK.03/2016 tanggal 22 November 2016 tentang "Perubahan Atas Peraturan Otoritas Jasa Keuangan No.11/POJK.03/2016 tentang Kewajiban Penyediaan Modal Minimum Bank Umum" dan Surat Edaran OJK No.43/SEOJK.03/2016 tentang "Transparansi dan Publikasi Laporan Bank Umum Konvensional", dimana modal yang diwajibkan regulator dianalisa dalam dua tier sebagai berikut:

- Modal inti (tier 1), yang terdiri dari modal inti utama dan modal inti tambahan. Modal inti utama antara lain meliputi modal ditempatkan dan disetor penuh, tambahan modal disetor, cadangan umum, laba tahun-tahun lalu dan periode/tahun berjalan (100%), penghasilan komprehensif lainnya berupa potensi keuntungan/kerugian yang berasal dari perubahan nilai wajar aset keuangan dalam kelompok tersedia untuk dijual, selisih kurang dari penyisihan penghapusan aset produktif sesuai ketentuan Bank Indonesia dan cadangan kerugian penurunan nilai aset produktif yang diperbolehkan. Aset pajak tangguhan, aset takberwujud (termasuk *goodwill*) dan penyertaan (100%) merupakan faktor pengurang modal inti utama. Modal inti tambahan antara lain terdiri dari saham preferen, surat berharga subordinasi dan pinjaman subordinasi dimana ketiganya bersifat non kumulatif setelah dikurangi pembelian kembali.

51. CAPITAL MANAGEMENT (continued)

The capital needs of the Bank are also discussed and planned on a routine basis supported by data analysis.

Capital Planning is prepared by the Board of Directors as part of Bank's business plan and is approved by the Board of Commissioners. Capital Planning ensures that adequate levels of capital and strong mix of the different components of capital are maintained to support business growth in the future.

Financial Services Authority (OJK) sets and monitors capital requirements for the Bank. The Bank is required to comply with prevailing regulation in respect of regulatory capital. The Bank's approach to capital management is driven by bank's strategic and organisational requirements, taking into account regulatory, economic and commercial environment.

Bank has complied with all regulator imposed capital requirements throughout the reporting period, particularly regarding Capital Adequacy Ratio (CAR) and calculation of Risk Weighted Assets (RWA).

Bank calculates its capital requirements in accordance with POJK No.34/POJK.03/2016 dated November 22, 2016 about "Changes of Financial Service Authority Regulation No.11/POJK.03/2016 about Minimum Capital Reserve for Commercial Bank" and OJK Circular Letter No.43/SEOJK.03/2016 about "Transparency and Publication Conventional Commercial Bank Report", where the regulatory capital is analysed into two tiers as follows:

- Tier 1 capital, which consists of core and additional core capital. Core capital includes issued and fully paid-up capital, additional paid-in capital, general reserve, specific reserve, retained earnings and profit for the period/year (100%), other comprehensive income deriving from potential gain/loss from the changes in fair value of financial assets classified as available-for-sale, shortfall between allowable amount of allowance for uncollectible account on productive assets according to Bank Indonesia guideline and allowance for impairment losses on productive assets. Deferred tax assets, intangible assets (including goodwill) and share investments (100%) are deducted from core capital. Additional core capital includes non-cumulative preference shares, subordinated securities and subordinated debts net of buyback portion.

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

51. MANAJEMEN MODAL (lanjutan)

- Modal pelengkap (tier 2) antara lain meliputi instrumen modal, agio atau disagio, cadangan umum aset produktif dan cadangan tujuan sesuai ketentuan Bank Indonesia.

Beberapa batasan berlaku untuk bagian-bagian modal yang diwajibkan oleh regulator, antara lain Bank wajib menyediakan modal inti (tier 1) paling rendah sebesar 6,00% dari ATMR dan modal inti utama (*Common Equity* tier 1) paling rendah sebesar 4,50% dari ATMR, baik secara individual maupun secara dengan entitas anak.

- Modal tier 1, meliputi modal ditempatkan dan disetor penuh, cadangan umum, saldo laba dan laba periode berjalan.
- Modal tier 2, meliputi penyisihan kerugian penurunan nilai yang diperbolehkan.

Bank tidak mempunyai modal tambahan lain yang memenuhi kriteria modal tier 3 sesuai dengan peraturan BI yang berlaku.

Berbagai batasan telah diterapkan untuk bagian-bagian modal yang diwajibkan oleh regulator. Pengaruh dari pajak tangguhan telah dikeluarkan dalam menentukan jumlah saldo laba untuk modal tier 1; hanya 50 persen laba periode berjalan sebelum pajak tangguhan yang dapat diperhitungkan dalam modal tier 1; dan modal tier 2 tidak boleh melebihi modal tier 1. Juga terdapat batasan jumlah penyisihan kolektif penurunan nilai yang boleh dimasukkan sebagai bagian dari modal tier 2.

ATMR Bank ditentukan berdasarkan persyaratan yang telah ditentukan yang mencerminkan berbagai tingkatan risiko yang terkait dengan aset dan eksposur, yang tidak tercermin dalam laporan posisi keuangan. Berdasarkan peraturan BI, Bank diharuskan untuk mempertimbangkan risiko kredit, risiko pasar dan risiko operasional dalam mengukur ATMR Bank.

Kebijakan Bank adalah menjaga modal yang kuat untuk menjaga kepercayaan pemodal, kreditur dan pasar dan untuk mempertahankan perkembangan bisnis di masa depan. Pengaruh tingkat modal terhadap tingkat pengembalian ke pemegang saham juga diperhitungkan dan Bank juga memahami perlunya menjaga keseimbangan antara tingkat pengembalian yang tinggi, yang dimungkinkan dengan *gearing* yang lebih besar serta keuntungan-keuntungan dan tingkat keamanan yang didapat dari posisi modal yang kuat.

Manajemen menggunakan rasio permodalan yang diwajibkan regulator untuk memantau permodalan Bank dan rasio-rasio modal ini tetap menjadi standar industri untuk mengukur kecukupan modal. Pendekatan OJK untuk pengukuran ini terutama didasarkan pada pemantauan hubungan antara profil risiko Bank dengan ketersediaan modal. Bank wajib menyediakan modal minimum sesuai profil risiko.

51. CAPITAL MANAGEMENT (continued)

- *Supplementary capital (tier 2), which includes capital instruments, agio or disagio, general reserves of productive assets and purpose reserves according to Bank Indonesia guideline.*

Various limits have been set to elements of the regulatory capital, such as Banks are required to provide core capital (tier 1) at a minimum of 6.00% from Risk Weighted Assets and Common Equity tier 1 at a minimum of 4.50% from Risk Weighted Assets, both individually and level with subsidiary.

- *Tier 1 capital, which includes issued and fully paid share capital, general reserve, retained earnings and profit for the period.*
- *Tier 2 capital, which includes the eligible amount of allowance for impairment losses.*

The Bank does not have any other supplementary capital which meets the criteria of tier 3 capital under prevailing BI regulation.

Various limits are applied to elements of the regulatory capital. The effect of deferred taxation has been excluded in determining the amount of retained earnings for tier 1 capital; only 50 percent of the profit for the period before deferred taxation being included in tier 1 capital; and qualifying tier 2 capital cannot exceed tier 1 capital. There is also a restriction on the amount of collective impairment allowances that may be included as part of tier 2 capital.

ATMR are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and exposures not recognized in the statement of financial position. Based on BI regulations, the Bank needs to take into consideration its credit risk, market risk and operational risk in measuring the ATMR.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business. The impact of the level of capital on shareholders' return is also recognized and the Banks also recognise the need to maintain a balance between the higher return that might be possible with greater gearing and the advantages and security level afforded by a strong capital position.

Management uses regulatory capital ratios in order to monitor its capital base, and these capital ratios remain the industry standards for measuring capital adequacy. OJK's approach to such measurement is primarily based on monitoring the relationship of the Bank's risk profile with the available capital. The Bank is required to provide minimum capital based on the risk profile.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

51. MANAJEMEN MODAL (lanjutan)

Penyediaan modal minimum sebagaimana dimaksud ditetapkan sebagai berikut:

- Untuk profil risiko peringkat 1 (satu), modal minimum terendah yang wajib dimiliki adalah 8% dari Aset Tertimbang Menurut Risiko;
- Untuk profil risiko peringkat 2 (dua), modal minimum terendah yang wajib dimiliki adalah 9% sampai dengan kurang dari 10% dari Aset Tertimbang Menurut Risiko;
- Untuk profil risiko peringkat 3 (tiga), modal minimum terendah yang wajib dimiliki adalah 10% sampai dengan kurang dari 11% dari Aset Tertimbang Menurut Risiko; dan
- Untuk profil risiko peringkat 4 (empat) atau 5 (lima), modal minimum terendah yang wajib dimiliki adalah 11% sampai dengan kurang dari 14% dari Aset Tertimbang Menurut Risiko.

Posisi modal yang diwajibkan regulator Bank sesuai peraturan Bank Indonesia yang berlaku pada tanggal 31 Desember 2022 dan 2021 adalah sebagai berikut:

51. CAPITAL MANAGEMENT (continued)

Minimum capital requirements are as follows:

- For banks with risk profile rating 1 (one), the minimum capital requirement is 8% of Risk Weighted Asset;
- For banks with risk profile rating 2 (two), the minimum capital requirement is 9% to less than 10% of Risk Weighted Asset;
- For banks with risk profile rating 3 (three), the minimum capital requirement is 10% to less than 11% of Risk Weighted Asset; and
- For banks with risk profile rating 4 (four) or 5 (five), the minimum capital requirement is 11% to less than 14% of Risk Weighted Asset.

The Bank's regulatory capital position under prevailing Bank Indonesia regulation as of December 31, 2022 and 2021 are as follows:

	2022	2021	
Modal inti (Tier 1)			Core capital (Tier 1)
Modal inti utama (CET 1)	10.346.392	9.297.192	Common equity tier (CET 1)
Modal inti tambahan (AT 1)	-	-	Additional equity tier (AT 1)
	10.346.392	9.297.192	
Modal pelengkap (Tier 2)	437.563	415.071	Supplementary capital (Tier 2)
Jumlah modal	10.783.955	9.712.263	Total capital
Aset Tertimbang Menurut Risiko			Risk Weighted Asset
Risiko kredit	34.567.488	32.790.641	Credit risk
Risiko operasional	8.917.841	8.397.351	Operational risk
Risiko pasar	108.144	98.936	Market risk
Jumlah Aset Tertimbang Menurut Risiko	43.593.473	41.286.928	Total Risk Weighted Asset
Rasio kecukupan modal			Capital Adequacy Ratio
Rasio CET 1	23,73%	22,52%	CET 1 ratio
Rasio tier 1	23,73%	22,52%	Tier 1 ratio
Rasio tier 2	1,00%	1,01%	Tier 2 ratio
Rasio modal terhadap ATMR	24,74%	23,52%	Ratio of capital to ATMR
Rasio kewajiban penyediaan modal minimum untuk risiko kredit dan risiko operasional	24,80%	23,58%	Capital adequacy ratio with credit and operational risk
Rasio kewajiban penyediaan modal minimum untuk risiko kredit, risiko pasar dan risiko operasional	24,74%	23,52%	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

PT BANK PEMBANGUNAN DAERAH**JAWA TIMUR Tbk****CATATAN ATAS LAPORAN KEUANGAN (lanjutan)**

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH**JAWA TIMUR Tbk****NOTES TO THE FINANCIAL STATEMENTS (continued)**

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

51. MANAJEMEN MODAL (lanjutan)

OJK berwenang menetapkan modal minimum lebih besar dari modal minimum dalam hal OJK menilai suatu bank menghadapi potensi kerugian yang membutuhkan modal lebih besar.

Berdasarkan *self-assessment* Bank, pada tanggal 31 Desember 2022 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 24,74%.

52. POSISI DEvisa NETO

Perhitungan Posisi Devisa Neto (PDN) didasarkan pada Peraturan Bank Indonesia No.5/13/PBI/2003 tanggal 17 Juli 2003 sebagaimana telah diubah terakhir dengan Peraturan Bank Indonesia No.12/10/PBI/2010 tanggal 1 Juli 2010. Berdasarkan peraturan tersebut, Bank diwajibkan untuk menjaga rasio PDN laporan posisi keuangan dan secara keseluruhan maksimum 20% dari jumlah modal. PDN adalah penjumlahan nilai absolut yang dinyatakan dalam rupiah dari selisih bersih antara aset dan liabilitas dalam mata uang asing dan selisih bersih tagihan dan liabilitas komitmen dan kontinjensi yang dicatat dalam rekening administratif yang didenominasi dalam setiap mata uang.

PDN Bank pada tanggal-tanggal 31 Desember 2022 dan 2021 adalah sebagai berikut:

Mata uang	2022			
	Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value
POSISI KEUANGAN				
Dolar Amerika Serikat	278.741	157.121	121.620	121.620
Riyal Saudi Arabia	7.242	-	7.242	7.242
Dolar Singapura	12.463	9.240	3.223	3.223
Euro	4.392	1.609	2.783	2.783
Ringgit Malaysia	3.420	-	3.420	3.420
Poundsterling Inggris Raya	1.464	-	1.464	1.464
Dolar Australia	6.176	-	6.176	6.176
Yuan China Renminbi	1.375	-	1.375	1.375
Yen Jepang	563	15	548	548
Dolar Hong Kong	845	20	825	825
	316.681	168.005	148.676	148.676
REKENING ADMINISTRATIF				
Dolar Amerika Serikat	-	202.378	(202.378)	202.378
Jumlah	316.681	370.383	(53.702)	351.054
Total modal (Catatan 50)				10.783.955
Rasio Posisi Devisa Neto (Posisi keuangan)				1,38%
Rasio Posisi Devisa Neto				3,26%

51. CAPITAL MANAGEMENT (continued)

OJK is authorised to stipulate minimum capital greater than minimum capital in terms of OJK assesses a bank as facing potential losses which requires a larger capital.

Based on its self-assessment, as of December 31, 2022 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 24.74%, which was higher than the required minimum provision of capital.

52. NET OPEN POSITION

The Net Open Position (NOP) was calculated based on Bank Indonesia Regulation No.5/13/PBI/2003 dated July 17, 2003 which was last amended by Bank Indonesia Regulation No.12/10/PBI/2010 dated July 1, 2010. Based on this regulation, the Bank is required to maintain overall and statement of financial position Net Open Position at a maximum of 20% of the total capital. The ratio is the sum of the absolute values, which are stated in rupiah, of the net difference between the assets and liabilities denominated in each foreign currency and the net difference and payables of both commitments and contingencies recorded in the administrative accounts denominated in each currency.

The Bank's NOP as of December 31, 2022 and 2021 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 50)
Net Open Position as a percentage of capital (Financial position)
Net Open Position as a percentage of capital

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

52. POSISI DEVISA NETO (lanjutan)

52. NET OPEN POSITION (continued)

	2021			
	Aset/ Assets	Liabilitas/ Liabilities	Nilai neto/ Net value	Nilai absolut neto/ Net absolute value
Mata uang				
<u>POSISI KEUANGAN</u>				
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
<u>REKENING ADMINISTRATIF</u>				
Dolar Amerika Serikat	-	42.758	(42.758)	42.758
Jumlah	109.999	146.821	(36.822)	81.330
Total modal (Catatan 50)				9.712.263
Rasio Posisi Devisa Neto (Posisi keuangan)				0,40%
Rasio Posisi Devisa Neto				0,84%

Currencies
<u>FINANCIAL POSITION</u>
United States Dollar
Malaysian Ringgit
Singapore Dollar
Saudi Arabian Riyal
Euro
Japanese Yen
Australian Dollar
Great Britain Poundsterling
Chinese Yuan Renminbi
Hong Kong Dollar
<u>ADMINISTRATIVE ACCOUNTS</u>
United States Dollar
Total
Total capital (Note 50)
Net Open Position as a percentage of capital (Financial position)
Net Open Position as a percentage of capital

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

53. ASET DAN LIABILITAS KEUANGAN

Nilai wajar yang diungkapkan di bawah ini adalah berdasarkan informasi relevan yang tersedia pada tanggal laporan posisi keuangan dan tidak diperbaharui untuk mencerminkan perubahan dalam kondisi pasar yang telah terjadi setelah tanggal laporan posisi keuangan.

Tabel di bawah ini menyajikan nilai tercatat dan nilai wajar aset dan liabilitas keuangan Bank pada tanggal 31 Desember 2022 dan 2021:

53. FINANCIAL ASSETS AND LIABILITIES

The fair values disclosed below are based on available relevant information at the statement of financial position date and are not updated to reflect changes in market conditions which have occurred after the dates of the statements of financial position.

The table below presents the carrying amount and fair values of the Bank's financial assets and liabilities as of December 31, 2022 and 2021:

	2022		2021		
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value	
Aset Keuangan					Financial Assets
Kas	1.988.262	1.988.262	2.023.077	2.023.077	Cash
Surat Berharga					Securities
Nilai wajar melalui pendapatan komprehensif lain					Fair value through other comprehensive income
Surat Utang Negara	8.476.609	8.476.609	11.554.760	11.554.760	Government bonds
Biaya perolehan diamortisasi					Amortized cost
Surat Utang Negara	12.025.332	12.025.332	15.530.273	15.530.273	Government bonds
Obligasi:					Bonds:
PT Pegadaian (Persero)	480.000	480.000	255.018	255.018	PT Pegadaian (Persero)
PT Bank Aceh	225.000	225.000	-	-	PT Bank Aceh
PT Pupuk Indonesia (Persero)	192.250	192.250	337.948	337.948	PT Pupuk Indonesia (Persero)
PT Astra Sedaya Finance	152.966	152.966	50.000	50.000	PT Astra Sedaya Finance
PT Bank Rakyat Indonesia (Persero) Tbk	146.035	146.035	157.788	157.788	PT Bank Rakyat Indonesia (Persero) Tbk
PT Semen Indonesia Persero	135.454	135.454	193.994	193.994	PT Semen Indonesia Persero
PT Bank Sinarmas Tbk	100.000	100.000	-	-	PT Bank Sinarmas Tbk
PT Federal International Finance Tbk	99.615	99.615	-	-	PT Federal International Finance Tbk
PT Kereta Api Indonesia (Persero)	91.519	91.519	-	-	PT Kereta Api Indonesia (Persero)
PT Bank Negara Indonesia Tbk	80.000	80.000	30.270	30.270	PT Bank Negara Indonesia Tbk
PT Perusahaan Listrik Negara (Persero)	69.861	69.861	110.209	110.209	PT Perusahaan Listrik Negara (Persero)
PT Jasa Marga (Persero) Tbk	63.243	63.243	55.000	55.000	PT Jasa Marga (Persero) Tbk
PT XL Axiata	60.000	60.000	-	-	PT XL Axiata
PT Permodalan Nasional Madani	50.000	50.000	-	-	PT Permodalan Nasional Madani
PT Maybank Indonesia Tbk	33.032	33.032	10.170	10.170	PT Maybank Indonesia Tbk
PT Bank Tabungan Negara (Persero) Tbk	32.003	32.003	30.218	30.218	PT Bank Tabungan Negara (Persero) Tbk
PT Indonesia Infrastructure Finance	30.148	30.148	30.323	30.323	PT Indonesia Infrastructure Finance
PT Bank Mandiri (Persero) Tbk	27.189	27.189	27.430	27.430	PT Bank Mandiri (Persero) Tbk
PT Sarana Multigriya Finansial (Persero)	26.000	26.000	246.253	246.253	PT Sarana Multigriya Finansial (Persero)
PT Adira Dinamika Multi Finance Tbk	24.803	24.803	-	-	PT Adira Dinamika Multi Finance Tbk
PT Bank Mandiri Taspen	24.011	24.011	54.148	54.148	PT Bank Mandiri Taspen
PT Bank Pembangunan Daerah					PT Bank Pembangunan Daerah
Jawa Barat dan Banten Tbk	12.219	12.219	41.950	41.950	Jawa Barat dan Banten Tbk
PT Bank Pan Indonesia	10.008	10.008	10.057	10.057	PT Bank Pan Indonesia
PT Telekomunikasi Indonesia Tbk	5.454	5.454	37.519	37.519	PT Telekomunikasi Indonesia Tbk
PT Mandiri Tunas Finance Tbk	5.265	5.265	31.247	31.247	PT Mandiri Tunas Finance Tbk
PT Sarana Multi Infrastruktur (Persero)	-	-	190.131	190.131	PT Sarana Multi Infrastruktur (Persero)
PT Hutama Karya	-	-	50.873	50.873	PT Hutama Karya
PT Bank CIMB Niaga Tbk	-	-	49.307	49.307	PT Bank CIMB Niaga Tbk
PT Indofood Sukses Makmur Tbk	-	-	41.637	41.637	PT Indofood Sukses Makmur Tbk
PT Bank Danamon Indonesia Tbk	-	-	30.209	30.209	PT Bank Danamon Indonesia Tbk
Sukuk Bank Indonesia	400.000	400.000	541.392	541.392	Bank Indonesia Sukuk
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	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 Sinarmas Tbk	100.000	100.000	-	-	PT Bank Sinarmas Tbk
PT Bank Aceh	225.000	225.000	-	-	PT Bank Aceh
Negotiable Certificate of Deposit (NCD):					Negotiable Certificate of Deposit:
PT Bank Of Tokyo - Mitsubishi UFJ Ltd	-	-	99.281	99.281	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 Negara Indonesia Tbk	47.237	47.237	-	-	PT Bank Negara Indonesia Tbk
Reksadana:					Reksadana:
PT Trimegah Asset Management	-	-	900.000	900.000	PT Trimegah Asset Management
PT Permodalan Nasional Madani	90.000	90.000	689.000	689.000	PT Permodalan Nasional Madani
PT Avrist Asset Management	-	-	300.000	300.000	PT Avrist Asset Management
PT Bahana TCW Investment Management	-	-	300.000	300.000	PT Bahana TCW Investment Management
PT Gemilang Indonesia Manajemen Investasi	-	-	100.000	100.000	PT Gemilang Indonesia Manajemen Investasi
PT Setiabudi Investment Management	-	-	50.000	50.000	PT Setiabudi Investment Management
Wesel	2.418	2.418	6.747	6.747	Bill
	23.542.670	23.542.670	32.388.966	32.388.966	
	25.530.932	25.530.932	34.412.043	34.412.043	

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

53. ASET DAN LIABILITAS KEUANGAN (lanjutan)

	2022	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
Biaya perolehan diamortisasi		
Giro pada Bank Indonesia	10.786.740	10.786.740
Giro pada Bank lain	303.129	303.129
Penempatan pada Bank Indonesia		
dan bank lain	6.916.329	6.916.329
Tagihan reverse repo	7.822.847	7.822.847
Tagihan lainnya	286.147	286.147
Kredit yang diberikan dan pembiayaan syariah		
Modal kerja	10.968.010	10.968.010
Investasi	6.570.658	6.570.658
Konsumsi	28.657.989	28.657.989
Pendapatan bunga yang masih akan diterima	646.125	646.125
Jumlah	72.957.974	72.957.974
Liabilitas keuangan		
Liabilitas lain-lain		
Liabilitas segera	872.514	872.514
Simpanan nasabah	81.767.383	81.767.383
Simpanan dari bank lain	3.339.123	3.339.123
Pinjaman yang diterima	553.399	553.399
Beban yang masih harus dibayar	520.840	520.840
Liabilitas lain-lain	550.119	550.119
Jumlah	87.603.378	87.603.378

- i. Giro pada Bank Indonesia, giro pada bank lain, penempatan pada Bank Indonesia dan bank lain, surat-surat berharga dan tagihan lainnya

Nilai tercatat dari kas dan setara kas, giro serta penempatan dengan suku bunga mengambang adalah perkiraan yang layak atas nilai wajar.

Estimasi nilai wajar terhadap penempatan dengan suku bunga tetap, surat-surat berharga dan tagihan lainnya ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga pasar uang yang berlaku untuk utang dengan risiko kredit dan sisa jatuh tempo yang serupa. Karena sisa jatuh tempo di bawah 1 (satu) tahun, sehingga nilai tercatat dari penempatan dengan suku bunga tetap, surat-surat berharga dan tagihan lainnya adalah perkiraan yang layak atas nilai wajar.

53. FINANCIAL ASSETS AND LIABILITIES (continued)

	2021	
	Nilai tercatat/ Carrying value	Nilai wajar/ Fair value
Amortised cost		
Current accounts with Bank Indonesia	8.805.300	8.805.300
Current accounts with other banks	211.681	211.681
Placement with Bank Indonesia		
and other banks	9.917.695	9.917.695
Reverse repo receivables	3.420.685	3.420.685
Other receivables	230.019	230.019
Loans and sharia financing		
Working capital	9.668.644	9.668.644
Investment	5.825.776	5.825.776
Consumption	27.255.139	27.255.139
Interest receivables	793.900	793.900
Total	66.128.839	66.128.839
Financial liabilities		
Other liabilities		
Obligations due immediately	593.875	593.875
Deposits from customers	83.201.867	83.201.867
Deposits from other banks	4.187.900	4.187.900
Borrowings	655.288	655.288
Accrued expenses	478.647	478.647
Other liabilities	529.738	529.738
Total	89.647.315	89.647.315

- 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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

53. ASET DAN LIABILITAS KEUANGAN (lanjutan)

ii. Kredit yang diberikan dan pembiayaan syariah

Portofolio kredit Bank terdiri dari kredit yang diberikan dengan suku bunga tetap. Kredit yang diberikan dinyatakan berdasarkan jumlah nilai tercatat. Nilai wajar dari kredit yang diberikan menunjukkan nilai diskonto dari perkiraan arus kas masa depan yang diharapkan akan diterima oleh Bank. Perkiraan arus kas ini didiskontokan dengan menggunakan suku bunga pasar untuk menentukan nilai wajar.

iii. Liabilitas segera, simpanan dari nasabah dan simpanan dari bank lain dan liabilitas lain-lain

Estimasi nilai wajar liabilitas segera, simpanan tanpa jatuh tempo, termasuk simpanan tanpa bunga adalah sebesar jumlah terutang ketika utang tersebut dibayarkan.

Estimasi nilai wajar terhadap simpanan dengan tingkat suku bunga tetap dan liabilitas lain-lain yang tidak memiliki kuotasi di pasar aktif ditetapkan berdasarkan diskonto arus kas dengan menggunakan suku bunga utang baru dengan sisa jatuh tempo yang serupa. Adalah tidak praktis untuk memperkirakan nilai wajar dari setoran jaminan dikarenakan tidak memiliki jangka waktu pembayaran yang tetap meskipun tidak diharapkan dapat diselesaikan dalam waktu 12 bulan setelah tanggal pelaporan, sehingga nilai tercatat dari simpanan dengan suku bunga tetap dan liabilitas lain-lain adalah perkiraan yang layak atas nilai wajar.

iv. Surat berharga

Nilai wajar untuk surat berharga yang dimiliki hingga jatuh tempo ditetapkan berdasarkan harga pasar atau harga kuotasi perantara (*broker*)/pedagang efek (*dealer*). Jika informasi ini tidak tersedia, nilai wajar diestimasi dengan menggunakan harga pasar kuotasi efek yang memiliki karakteristik kredit, jatuh tempo dan *yield* yang serupa. Surat berharga yang tersedia untuk dijual adalah surat berharga yang ditetapkan untuk dimiliki pada periode tertentu dimana akan dijual dalam rangka pemenuhan likuiditas atau perubahan suku bunga, valuta asing atau yang tidak diklasifikasikan sebagai pinjaman yang diberikan atau piutang, aset keuangan yang diklasifikasikan dalam kelompok dimiliki hingga jatuh tempo atau aset keuangan yang diukur pada nilai wajar melalui laba rugi.

v. Pinjaman yang diterima

Dihitung berdasarkan diskonto arus kas sesuai dengan sisa periode jatuh temponya.

53. FINANCIAL ASSETS AND LIABILITIES (continued)

ii. Loans and sharia financing

The Bank credit portfolio consists of loans with fixed interest rates. The loans are stated at carrying amounts. The fair value of the loans shows the estimated value of discounted future cash flows expected to be received by the Bank. Estimated cash flows are discounted using market interest rates to determine fair values.

iii. Liabilities immediately payable, deposits from customers and deposits from other banks and other liabilities

The estimated fair value of liabilities immediately payable, deposits with no specified maturity, including non-interest-bearing deposits represent payable amounts when the debt is paid.

The estimated fair value of deposits with fixed interest rates and other liabilities that do not have a quotation price in an active market is determined based on discounted cash flows using the interest rates of new debt with similar maturities. There is no practice to estimate the fair value of security deposits due to they have no certain settlement schedule, although is not expected to be settled within 12 months after the reporting date, the carrying amount of fixed rate deposits and other liabilities are reasonable estimates of fair value.

iv. Marketable securities

The fair value for marketable securities held to maturity is determined based on market prices or quotation prices of intermediaries (*brokers*)/securities dealers. If this information is not available, fair value is estimated using quotation market prices of securities with similar credit characteristics, maturities and yields. The Available for sale for marketable securities are intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, held to maturity or financial assets at fair value through profit or loss.

v. Borrowings

The calculation is based on the discounted cash flow corresponding to the remaining period to maturity.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI

Program pensiun manfaat pasti

Bank menyelenggarakan Program Pensiun Manfaat Pasti bagi seluruh karyawan Bank yang memenuhi persyaratan sebagaimana diatur dalam Peraturan PT Dana Pensiun PT Bank Pembangunan Daerah Jawa Timur Tbk (Dapen Bank Jatim). Dalam program ini, manfaat pensiun diberikan berdasarkan persyaratan yang ditetapkan dalam peraturan Bank dengan memperhatikan penghargaan per tahun masa kerja, jasa lalu dan Penghasilan Dana Pensiun. Program dana pensiun Bank dikelola oleh Dapen Bank Jatim, sesuai dengan ketentuan yang diatur dalam Surat Keputusan Direksi Bank, karyawan Bank memberikan kontribusi pada dana pension sebesar 5% dari penghasilan dasar pension pekerja dan sisanya merupakan kontribusi Bank.

- i. Penilaian aktuaria atas beban pensiun per 31 Desember 2022 dan 2021 dilakukan oleh Kantor Konsultan Aktuaria Agus Susanto, aktuaris independen, berdasarkan laporannya tanggal 24 Januari 2023 dan 21 Januari 2022 telah sesuai dengan PSAK 24 (revisi 2013) dengan menggunakan metode *Projected Unit Credit* serta mempertimbangkan asumsi-asumsi sebagai berikut:

	2022	2021	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.40%	7.50%	Discount rate
Tingkat kenaikan penghasilan dasar pensiun	0.00%	0.00%	Pension basic income growth
Tingkat bunga imbal hasil investasi aset	7.40%	7.50%	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 years old		18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

54. DEFINED EMPLOYEE BENEFIT LIABILITIES

Defined benefit pension plan

The Bank provides a Defined Benefit Pension Plan for all qualified employees in accordance with the Regulation of Pension Funds of "PT Dana Pensiun Bank Pembangunan Daerah Jawa Timur Tbk" (Dapen Bank Jatim).. Based on this program, the right of pension benefits is provided based on the requirements as set out in the regulation considering the annual service factors, past service and the Pension Fund's income. The Bank's pension funds program is managed by Dapen Bank Jatim. Pursuant to the terms provided the Bank Directors' Decision Letter, the employees' pension fund contribution is 5% of the pensionable basic income of employees and the remaining pension fund contributions are paid by the Bank.

- i. The actuarial valuation of pension expense as of December 31, 2022 and 2021 were made by Konsultan Aktuaria Agus Susanto, an independent actuarial firm, based on their report dated January 24, 2022 and January 21, 2022 conform with the PSAK 24 (revised 2013) with use calculated method *Projected Unit Credit* also considers assumptions as as follows :

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

ii. Komposisi aset dana pensiun, terdiri dari:

	2022	2021	
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:

	2022	2021	2020	2019	2018	
Nilai kini kewajiban	912.082	986.872	868.937	738.556	335.681	Present value of liabilities
Nilai wajar aset program	(800.814)	(763.453)	(662.634)	(533.439)	(429.961)	Fair value of assets program
Status pendanaan	111.268	223.419	206.303	205.117	(94.280)	Funded status
Perubahan dampak batas atas aset	-	-	-	-	(45.092)	Impact changes on assets upper threshold
Liabilitas (aset) imbalan pasti - neto	111.268	223.419	206.303	205.117	(139.372)	Liabilities (assets) defined benefit - net

iv. Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:

	2022	2021	
Aset imbalan pasti neto awal tahun	223.419	206.303	Asset defined benefit net at beginning of year
Biaya imbalan pasti:			Expenses for the year:
Jumlah yang diakui dalam laba rugi	31.586	33.507	Amount recognized in the profit and losses
Pengukuran kembali liabilitas (aset) periode berjalan	(95.355)	(230)	Remeasurement of liabilities (assets) in the current year
Pembayaran iuran dari pendiri	(48.383)	(16.161)	Paid of contribution from employee
Liabilitas imbalan pasti neto	111.267	223.419	Liabilities defined benefit - net

v. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam laporan laba rugi adalah sebagai berikut:

	2022	2021	
Biaya jasa kini	14.830	22.379	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	74.015	62.563	Interest cost
Pendapatan bunga dari aset	(57.259)	(47.710)	Interest income from assets
Bunga atas dampak batasan aset iuran peserta	-	-	Interest of the asset ceiling
	-	(3.725)	Paid of contribution from employee
Biaya imbalan kerja yang diakui di laporan laba rugi	31.586	33.507	Recognized employee benefit cost on statement of profit or loss

54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (continued)

ii. Pension plan assets primarily consists of:

iii. The calculation of defined benefit pension plan obligations recognized in the statement of financial position are as follows:

iv. The calculation movement of defined benefit pension plan obligations are as follows:

v. The calculation of defined benefit pension plan expenses recognized in the statement of profit or loss are as follows:

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

- vi. Mutasi atas nilai wajar aset program adalah sebagai berikut:

	2022
Saldo awal	763.453
Hasil pengembangan riil	57.259
Imbalan hasil atas aset program	(22.775)
Pembayaran iuran-iuran – pemberi kerja	44.919
Pembayaran iuran-iuran – peserta program	3.463
Pembayaran imbalan kerja	(45.505)
	-
Saldo akhir	800.814

- vii. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut:

	2022
Keuntungan (kerugian) aktuarial pada kewajiban	(118.130)
Keuntungan (kerugian) aktuarial pada aset	22.775
Perubahan pada dampak batasan aset tidak termasuk bunga	-
Biaya yang diakui di penghasilan komprehensif lain	(95.355)

Imbalan pasca kerja program manfaat lain pada dana pensiun

Berdasarkan Peraturan Otoritas Jasa Keuangan No.5/POJK.05/2017 tentang iuran, manfaat pensiun, dan manfaat lain yang diselenggarakan oleh dana pensiun, selain menyelenggarakan program pensiun, DPPK, dan DPLK, Bank dapat menyelenggarakan atau memberikan manfaat lain kepada peserta. Manfaat lain adalah pembayaran manfaat selain manfaat pensiun yang dapat dilakukan oleh Dana Pensiun dan diatur dalam peraturan Dana Pensiun. Imbalan pegawai dihitung berdasarkan Peraturan Dana Pensiun Bank Pembangunan Daerah Jawa Timur, Tbk No. 058/050.2/DIR/HCP/KEP tanggal 12 Maret 2019 yang telah disahkan berdasarkan Keputusan Dewan Komisiner Otoritas Jasa Keuangan No.Kep-24/NB.1/2019 tanggal 14 Juni 2019. Bank menentukan manfaat lain bagi Peserta dalam tiga bentuk, antara lain dana manfaat tambahan, dana santunan kesehatan, dan dana santunan kematian. Manfaat ini mulai diberikan oleh Bank terhitung sejak disahkan oleh Otoritas Jasa Keuangan.

54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (continued)

- vi. The movement in the fair value of plan asset are as follows:

	2021	
	662.634	Beginning balance
	47.710	Actual investment result
	72.742	Return on plan assets
	12.310	Contribution paid – employer's
	3.851	Contribution paid – employee plan
	(39.520)	Actual benefit paid
	3.726	
	763.453	Ending balance

- vii. The calculation of defined benefit pension plan expenses recognized in the other comprehensive income are as follows:

	2021	
	72.512	Actuarial gain (losses) on obligation
	(72.742)	Actuarial gain (losses) on asset
	-	Amandement of impact on assets exclude interest
	-	Recognized cost in other comprehensive income
	(230)	

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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

- i. Penilaian aktuarial atas beban pensiun dihitung oleh Kantor Konsultan Aktuaria Agus Susanto untuk tanggal valuasi per 31 Desember 2022 dan 2021. Penilaian aktuarial telah sesuai dengan PSAK 24 (revisi 2016) dengan menggunakan metode *Projected Unit Credit* serta mempertimbangkan asumsi-asumsi sebagai berikut:

	2022	2021	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7,40%	7,50%	Discount rate
Tingkat kenaikan penghasilan dasar pensiun	0,00%	0,00%	Pension basic income growth
Tingkat bunga imbal hasil investasi aset	7,40%	7,50%	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:

	2022	2021	
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:

	2022	2021	
Nilai kini kewajiban	204.612	198.552	Present value of liabilities
Nilai wajar aset program	(259.207)	(221.492)	Fair value of assets program
Defisit liabilitas	-	-	Loss of liabilities
Cadangan (Biaya dibayar dimuka)	(54.595)	(22.940)	Allowance (prepaid expenses)

54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (continued)

- i. Actuarial valuation on pension expense is calculated by Kantor Konsultan Aktuaria Agus Susanto for the valuation date as of December 31, 2022 and 2021. Actuarial valuation is in accordance with PSAK 24 (revised 2016) using the projected unit credit method and considering the following assumptions:

- ii. Composition of pension fund assets, consisting of:

- iii. Calculation of other benefit pension plan obligations recognized in the financial position report are as follows:

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

- iv. Mutasi atas kewajiban program pensiun manfaat pasti adalah sebagai berikut:

	2022
Liabilitas (aset) imbalan pasti neto awal tahun	22.940
Biaya imbalan pasti:	
Jumlah yang diakui dalam laba rugi	(4.433)
Pengukuran kembali liabilitas (aset) periode berjalan	16.317
Pembayaran iuran dari pendiri	19.771
Liabilitas imbalan pasti neto	54.595

- v. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam Laporan Laba Rugi adalah sebagai berikut:

	2022
Biaya jasa kini	4.433
Bunga neto atas liabilitas (aset) imbalan:	
Biaya bunga	14.891
Pendapatan bunga dari aset	(16.611)
Bunga atas dampak batasan aset	1.720
Biaya imbalan kerja yang diakui di laporan laba rugi	4.433

- vi. Mutasi atas nilai wajar aset program pensiun manfaat pasti adalah sebagai berikut:

	2022
Saldo awal	221.492
Hasil yang diharapkan dari aset	16.611
Pembayaran iuran-iuran – pemberi kerja	19.772
Pembayaran imbalan kerja	(6.777)
Laba (rugi) aktuarial pada aset	8.109
Saldo akhir	259.207

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES
(continued)**

Defined benefit pension plan (continued)

- iv. The mutations of the defined benefit pension plan obligations are as follows:

	2021	
Liabilities (asset) defined benefit net at beginning of year	(7.645)	Liabilities (asset) defined benefit net at beginning of year
Expenses for the year:		Expenses for the year:
Amount recognized in the profit and losses	(5.030)	Amount recognized in the profit and losses
Remeasurement of liabilities (assets) in the current year	19.850	Remeasurement of liabilities (assets) in the current year
Paid of contribution from employee	15.765	Paid of contribution from employee
Liabilities defined benefit - net	22.940	Liabilities defined benefit - net

- v. The calculation of the cost of a defined benefit pension plan recognized in the Income Statement is as follows:

	2021	
Current service cost	4.480	Current service cost
Net interest on liabilities (asset) defined:		Net interest on liabilities (asset) defined:
Interest cost	14.560	Interest cost
Interest income from assets	(14.010)	Interest income from assets
Interest of the asset ceiling	-	Interest of the asset ceiling
Recognized employee benefit cost on statement of profit or loss	5.030	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:

	2021	
Beginning balance	194.588	Beginning balance
Results expected from assets	14.010	Results expected from assets
Payment of contributions - employers	15.765	Payment of contributions - employers
Payment of employee benefits	(6.349)	Payment of employee benefits
Actuarial gain (loss) on assets	3.478	Actuarial gain (loss) on assets
Ending balance	221.492	Ending balance

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun manfaat pasti (lanjutan)

- vii. Perhitungan biaya program pensiun manfaat pasti yang diakui di dalam penghasilan komprehensif lain adalah sebagai berikut:

	2022
Keuntungan (kerugian) aktuarial pada kewajiban	(6.487)
Keuntungan aktuarial pada aset	(8.109)
Perubahan pada dampak batasan aset tidak termasuk bunga	(1.720)
Diakui di penghasilan komprehensif lain	(16.316)

- viii. Pengukuran kembali atas liabilitas (aset) program pensiun manfaat pasti adalah sebagai berikut:

	2022
Saldo awal	(17.169)
(Keuntungan) kerugian aktuarial pada kewajiban	(6.487)
(Keuntungan) kerugian aktuarial pada aset	(8.109)
Perubahan pada dampak batasan aset tidak termasuk bunga	47.104
Jumlah pengukuran kembali atas aset imbalan pasti neto	15.339

Program pensiun iuran pasti

Bank juga memiliki program pensiun iuran pasti, untuk karyawannya. Bank mengikutsertakan pegawai tetap dalam program pensiun iuran pasti yang dikelola oleh Dana Pensiun Lembaga Keuangan PT Bank Rakyat Indonesia (Persero) Tbk.

Pegawai tetap yang bergabung dengan Bank setelah bulan April 2012, memiliki hak atas program pensiun iuran pasti atau manfaat yang disediakan sesuai dengan Undang-Undang Tenaga Kerja No.13/2003, mana yang lebih tinggi.

Pegawai tetap yang bergabung dengan Bank sebelum bulan April 2012, memiliki hak atas program pensiun manfaat pasti ditambah dengan program pensiun iuran pasti atau manfaat yang disediakan sesuai dengan Undang-Undang Tenaga Kerja No.13/2003, mana yang lebih tinggi.

54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (continued)

- vii. The calculation of the cost of a defined benefit pension plan recognized in other comprehensive income is as follows:

	2021	
	(16.373)	Actuarial gains (losses) on liabilities
	(3.477)	Actuarial gains on assets
	-	Changes to the impact of asset limits exclude interest
	(19.850)	Recognised in other comprehensive income

- viii. Measurement of return on liabilities (assets) defined benefit pension plans is as follows:

	2021	
	(20.259)	Beginning balance
	(16.373)	Actuarial (gains) losses on liabilities
	(3.477)	Actuarial (gains) losses on assets
	22.940	Changes to the impact of asset limits exclude interest
	(17.169)	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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun iuran pasti (lanjutan)

Pada tahun 2016, Bank melakukan evaluasi perhitungan program pensiun iuran pasti dimana imbalan pegawai dihitung sebesar selisih Undang-Undang Ketenagakerjaan No.13 tahun 2003 dan imbalan pensiun sesuai iuran Bank ke Dana Pensiun Lembaga Keuangan (DPLK), di luar uang penggantian imbalan yang berkaitan dengan cuti tahunan, ongkos pulang ketempat dimana pegawai diterima bekerja.

- i. Penilaian aktuarial 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 2022 dan 2021, dilakukan oleh Kantor Konsultan Aktuarial Agus Susanto dengan menggunakan metode *Projected Unit Credit* sebagaimana yang dijelaskan dalam laporan aktuaris pada tanggal 24 Januari 2023 dan 21 Januari 2022 yaitu sebagai berikut:

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	2022	2021	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.40%	7.50%	Discount rate
Tingkat kenaikan gaji	5.00%	5.00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0.00%	0.00%	Investment yield of plan asset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971		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. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	2022	2021	
Biaya jasa kini	2.653	(36.598)	Current service cost
Biaya bunga neto	4.348	7.833	Interest cost net
Biaya yang dibebankan pada laporan laba rugi	7.001	(28.765)	Expense recognized in statement of profit or loss

54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined contribution pension plan (continued)

In year 2016, the Bank evaluates the calculation of defined contribution pension plan where the employees benefit is calculated as the difference between the Labour Law No.13/2003 and defined contribution pension based on contribution Bank to Dana Pensiun Lembaga Keuangan (DPLK), except replacement of annual leave rights, the cost of return to a place where an employee was hired.

- i. The actuarial calculations of difference defined contribution pension plan Labour Law No.13/2003 and defined contribution pension based on contribution Bank to Dana Pensiun Lembaga Keuangan (DPLK) for the year ended 31 Desember 2022 and 2021 were prepared by a registered actuarial consulting firm, Kantor Konsultan Aktuarial Agus Susanto, using the "Projected Unit Credit" method as discussed an independent actuary report dated January 24, 2023 and January 21, 2022, are as follows:

Key assumptions used in the actuarial calculation are as follows:

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun iuran pasti (lanjutan)

- iii. Rekonsiliasi atas perubahan (aset) liabilitas imbalan pasca kerja selama tahun berjalan adalah sebagai berikut:

	2022
Saldo awal	57.968
Beban tahun berjalan	7.001
Pengukuran kembali imbalan kerja - neto	(14.558)
Pembayaran imbalan	-
Saldo akhir	50.411

- iv. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	2022
Saldo awal	57.968
Biaya jasa kini	2.653
Biaya bunga	4.348
Biaya jasa lalu	-
Pembayaran imbalan	-
Keuntungan aktuarial pada kewajiban	(14.558)
Saldo akhir	50.411

- v. Pengukuran kembali (aset) liabilitas imbalan kerja neto:

	2022
Saldo pada awal tahun	59.185
Keuntungan aktuarial pada kewajiban	(14.558)
Saldo akhir	44.627

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.

Imbalans 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.

54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

Defined contribution pension plan (continued)

- iii. Following are the reconciliation of the movements of employee benefit (assets) liabilities during the years:

	2021	
108.797		Beginning balance
(28.765)		Current service cost
(20.998)		Remeasurement of employee benefit - net
(1.066)		Actual benefit paid
57.968		Ending balance

- iv. The movements in the present value of employee benefit are as follows:

	2021	
108.797		Beginning balance
7.833		Current service cost
2.379		Interest cost
(38.977)		Past service cost
(1.066)		Actual benefit paid
(20.998)		Actuarial gain on obligation
57.968		Ending balance

- v. Remeasurement of net employee benefit (aset) liabilities:

	2021	
80.184		Balance at beginning of year
(20.998)		Actuarial gain on obligation
59.186		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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. 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 2022 dan 2021, dihitung oleh Kantor Konsultan Aktuaria Agus Susanto dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 24 Januari 2023 dan 21 Januari 2022.

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	2022	2021	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.40%	7.50%	Discount rate
Tingkat kenaikan gaji	5.00%	5.00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0.00%	0.00%	Investment yield of plan aset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971	GAM-1971	Mortality table
Usia pensiun normal	58 tahun/years	58 tahun/years	Normal retirement age
Tingkat cacat	10% Mortalita	10% Mortalita	Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linearly until age years old		18-45 years old
Usia 46-55 tahun	5% per tahun/per year		46-55 years old

i. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

i. The employee benefit expenses recognized in profit or loss, are as follows:

	2022		2021		
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program	Uang duka sebagai jasa pengabdian/ Death benefit as employee service	Program penghargaan masa kerja/ Gratuity for service program	
Biaya jasa kini	265	4,358	664	5,604	Current service cost
Biaya bunga neto	162	3,104	116	2,064	Oterest cost net
Rugi aktuarial	-	11,355	-	7,863	Actuarial loss
Biaya yang dibebankan pada laporan laba rugi	427	18,817	781	15,531	Expenses recognized in statement of profit or loss

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program pensiun iuran pasti (lanjutan)

- ii. Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:

	2022	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Saldo awal	(2.164)	(41.384)
Beban tahun berjalan	(427)	(18.817)
Pengukuran kembali imbalan kerja - neto	28	-
Pembayaran imbalan kerja	162	6.655
Liabilitas imbalan pasti neto	(2.401)	(53.546)

- iii. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	2022	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Saldo awal	(2.165)	(41.384)
Biaya jasa kini	(265)	(4.358)
Biaya bunga	(162)	(3.104)
Biaya jasa lalu	-	-
Pembayaran imbalan	162	6.655
Kerugian aktuarial pada kewajiban	28	(11.355)
Liabilitas imbalan pasti neto	(2.402)	(53.546)

- iv. Pengukuran kembali liabilitas imbalan kerja neto:

	2022	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service devotion	Program penghargaan masa kerja/ Gratuity for service program
Saldo pada awal tahun	529	-
Kerugian aktuarial pada kewajiban	(28)	-
Pendapatan komprehensif lain	501	-

54. 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	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service	Program penghargaan masa kerja/ Gratuity for service program
Beginning balance	(1.616)	(28.673)
Current year expenses	(781)	(15.531)
Remeasurement of employee benefits - net	(4)	-
Actual benefit paid	237	2.821
Liabilities defined benefit - net	(2.164)	(41.384)

- iii. The movements in the present value of employee benefit are as follows:

	2021	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service	Program penghargaan masa kerja/ Gratuity for service program
Beginning balance	(1.616)	(28.673)
Current service cost	(116)	(2.064)
Interest cost net	(235)	(5.604)
Past service cost	(429)	-
Actual benefit paid	236	2.821
Actuarial losses on obligation	(4)	(7.863)
Liabilities defined benefit - net	(2.165)	(41.384)

- i. Remeasurement of net employee benefit liabilities:

	2021	
	Uang duka sebagai jasa pengabdian/ Death benefit as employee service	Program penghargaan masa kerja/ Gratuity for service program
Balance at beginning of year	525	-
Actuarial losses on obligation	4	-
Other comprehensive income	529	-

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program penghargaan purna tugas

Penilaian aktuarial atas program penghargaan purna tugas untuk tahun yang berakhir pada tanggal 31 Desember 2022 dan 2021, dihitung oleh Kantor Konsultan Aktuaria Agus Susanto dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 24 Januari 2023 dan 21 Januari 2022.

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

	2022	2021	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7.40%	7.60%	Discount rate
Tingkat kenaikan gaji	5.00%	5.00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0.00%	0.00%	Investment yield of plan asset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971	GAM-1971	Mortality table
Usia pensiun normal	58 tahun/years	58 tahun/years	Normal retirement age
Tingkat cacat	10% Mortalita	10% Mortalita	Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	18-45 years old
Usia 46-55 tahun	5% per tahun/per year	5% per tahun/per year	46-55 years old

i. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

	2022	2021
Biaya jasa kini	3.810	15.832
Biaya bunga neto	1.203	-
Biaya yang dibebankan pada laporan laba rugi	5.013	15.832

i. The employee benefit expenses recognized in profit or loss, are as follows:

Current service cost
Interest cost net
Expense recognized in statement of profit or loss

ii. Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:

	2022	2021
Saldo awal	15.832	-
Beban tahun berjalan	5.013	15.832
Keuntungan aktuarial pada kewajiban	(5.560)	-
Saldo akhir	15.285	15.832

ii. Following are the reconciliation of the movements of employee benefit liabilities during the years:

Beginning balance
Current service cost
Actuarial gain on obligation
Ending balance

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

Program penghargaan purna tugas (lanjutan)

- iii. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	2022	2021
Saldo awal	15.832	-
Biaya jasa kini	3.810	3.833
Biaya jasa lalu	-	11.999
Biaya bunga neto	1.203	-
Keuntungan aktuarial pada kewajiban	(5.560)	-
Saldo akhir	15.285	15.832

- iv. Pengukuran kembali liabilitas imbalan kerja neto:

	2022	2021
Saldo awal	-	-
Laba aktuarial	5.561	-
Saldo akhir	5.561	-

54. DEFINED EMPLOYEE BENEFIT LIABILITIES (continued)

After duty award program (continued)

- iii. The movements in the present value of employee benefit are as follows:

	2022	2021	
	15.832	-	Beginning balance
	3.810	3.833	Current service cost
	-	11.999	Past service cost
	1.203	-	Interest cost net
	(5.560)	-	Actuarial gain on obligation
	15.285	15.832	Ending balance

- iv. Remeasurement of net employee benefit liabilities:

	2022	2021	
	-	-	Beginning balance
	5.561	-	Actuarial gain
	5.561	-	Ending balance

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

**Program Pensiun Asuransi Dwiguna dan Program
Cuti Besar**

Penilaian aktuarial atas program pensiun dwiguna dan cuti besar untuk tahun yang berakhir pada tanggal 31 Desember 2022, dihitung oleh Kantor Konsultan Aktuaria Agus Susanto dengan menggunakan metode "Projected Unit Credit" sebagaimana tercantum dalam laporan pada tanggal 24 Januari 2023.

Program Imbalan cuti besar adalah program penggantian hak cuti karyawan. Imbalan tersebut diberikan kepada pegawai tetap yang telah bekerja selama 6 tahun berturut – turut dan kelipatannya sejak diangkat sebagai pegawai tetap. Penggantian hak cuti besar diberikan sebesar 2 (dua) kali upah pokok.

Asumsi-asumsi utama yang digunakan dalam perhitungan dalam perhitungan adalah:

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES
(continued)**

**Endowment Insurance Pension Program and
Long Service Leave Program**

The actuarial valuation of endowment insurance pension program and long service leave program for the year ended December 31, 2022, were performed by Kantor Konsultan Aktuaria Agus Susanto, using the "Projected Unit Credit" method as stated in its report dated January 24, 2023.

Long service leave program are employee leave entitlement replacement programs. The benefits are given to permanent employees who have worked for 6 consecutive years and multiples since being appointed as permanent employees. Replacement for grand leave is given at 2 (two) times the basic salary

Key assumptions used in the actuarial calculation are as follows:

	2022		
	Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program	Program Cuti besar/ Long service leave program	
Asumsi ekonomi			Economic assumptions
Tingkat diskonto	7,40%	7,40%	Discount rate
Tingkat kenaikan gaji	5,00%	5,00%	Annual salary growth rate
Tingkat bunga imbal hasil investasi aset	0,00%	0,00%	Investment yield of plan aset
Asumsi lainnya			Other assumptions
Tingkat mortalita	GAM-1971	GAM-1971	Mortality table
Usia pensiun normal	58 tahun/years	58 tahun/years	Normal retirement age
Tingkat cacat	10% Mortalita	10% Mortalita	Disability rate
Tingkat pengunduran diri untuk usia:			Retirement rate per year for ages:
Usia 18-45 tahun	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	3% pada usia 20 tahun menurun linier sampai dengan usia 45 tahun/ 3% to age 20 years old decreased linierly until age 45 years old	18-45 years old
Usia 46-55 tahun	5% per tahun/per year	5% per tahun/per year	46-55 years old

i. Biaya imbalan kerja yang dibebankan pada laporan laba rugi adalah sebagai berikut:

i. The employee benefit expenses recognized in profit or loss, are as follows:

	2022		
	Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program	Program Cuti besar/ Long service leave program	
Biaya jasa kini	568	5.729	Current service cost
Biaya jasa lalu - vested	5.618	12.359	Past service cost - vested
Biaya yang dibebankan pada laporan laba rugi	6.186	18.088	Expenses recognized in statement of profit or loss

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

54. LIABILITAS IMBALAN KERJA PASTI (lanjutan)

**Program Pensiun Asuransi Dwiguna dan Program
Cuti Besar (lanjutan)**

- ii. Rekonsiliasi atas perubahan liabilitas imbalan kerja selama tahun berjalan adalah sebagai berikut:

	2022	
	Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program	Program Cuti besar/ Long service leave program
Saldo awal	-	-
Beban tahun berjalan	6.186	18.088
Liabilitas imbalan pasti neto	6.186	18.088

- iii. Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut:

	2022	
	Program Pensiun Asuransi Dwiguna/ Endowment Insurance Pension Program	Program Cuti besar/ Long service leave program
Saldo awal	-	-
Biaya jasa kini	568	5.729
Biaya jasa lalu	5.618	12.359
Liabilitas imbalan pasti neto	6.186	18.088

**54. DEFINED EMPLOYEE BENEFIT LIABILITIES
(continued)**

**Endowment Insurance Pension Program and
Long Service Leave Program (continued)**

- ii. Following are the reconciliation of the movements of employee benefit liabilities during the years:

Beginning balance
Current year expenses
Liabilities defined benefit - net

- iii. The movements in the present value of employee benefit are as follows:

Beginning balance
Current service cost
Past service cost
Liabilities defined benefit - net

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**55. JAMINAN TERHADAP KEWAJIBAN PEMBAYARAN
BANK UMUM**

Berdasarkan Undang-undang No.24 tanggal 22 November 2004 yang berlaku efektif sejak tanggal 22 November 2005, sebagaimana diubah dengan Peraturan Pemerintah Pengganti Undang-Undang Republik Indonesia No.3 (Perppu No. 3/2008) tanggal 13 Oktober 2008, Lembaga Penjaminan Simpanan (LPS) dibentuk untuk menjamin liabilitas tertentu bank umum berdasarkan program penjaminan yang berlaku, yang besaran nilai jaminannya dapat berubah jika memenuhi kriteria tertentu yang berlaku.

Berdasarkan Peraturan Pemerintah Republik Indonesia No. 66 tahun 2008 tanggal 13 Oktober 2008 mengenai Besarnya Nilai Simpanan yang Dijamin LPS, jumlah simpanan yang dijamin LPS adalah simpanan sampai dengan Rp2.000 untuk per nasabah per bank. Simpanan nasabah dijamin hanya jika suku bunganya sama dengan atau di bawah 3,75% dan 1,75% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2022 dan sama dengan atau di bawah 3,50% dan 0,25% dalam mata uang Rupiah dan mata uang asing pada tanggal 31 Desember 2021.

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 2022 dan 2021, masing-masing sebesar Rp188.454 dan Rp164.449.

**55. GOVERNMENT GUARANTEE OF OBLIGATIONS
OF PRIVATE BANKS**

Based on Law No.24 dated November 22, 2004, which was effective on November 22, 2005 and subsequently amended by the Government Regulation-in-Lieu-of Law No.3 (Perppu No. 3/2008) dated October 13, 2008, the Indonesian Deposit Insurance Corporation (LPS) was formed to guarantee certain liabilities of commercial banks under the applicable guarantee program, where the amount of such guarantee can be changed if certain valid criteria are fulfilled.

Based on Government Regulation No. 66 year 2008 dated October 13, 2008 regarding the Amount of Deposits Guaranteed by LPS, the amount of deposits covered by LPS is up to Rp2,000 per depositor per bank. Customer deposits are covered only if the rate of interest is equal to or below 3.75% and 1.75% in Rupiah and foreign currency as of December 31, 2022 and equal to or below 3.50% and 0.25% in Rupiah and foreign currency as of December 31, 2021.

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, 2022 and 2021, amounted to Rp188,454 and Rp164,449 respectively.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

56. PELAPORAN JATUH TEMPO

- a. Pelaporan jatuh tempo aset dan liabilitas menurut kelompok jatuh temponya berdasarkan periode yang tersisa (sebelum penyisihan kerugian), adalah sebagai berikut:

	2022						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							
Kas	-	1.988.262	-	-	-	-	1.988.262
Giro pada Bank Indonesia	-	230.541	-	-	-	10.556.199	10.786.740
Giro pada bank lain	-	302.688	-	-	-	-	302.688
Penempatan pada Bank Indonesia dan bank lain	-	6.306.518	606.657	-	-	-	6.913.175
Surat berharga	-	725.515	852.948	2.367.794	2.627.302	8.167.102	14.740.661
Biaya perolehan diamortisasi	-	-	-	-	-	8.476.609	8.476.609
Nilai wajar melalui pendapatan komprehensif lain	-	4.095.066	-	-	-	-	4.095.066
Surat berharga Repo	-	7.440.160	-	-	192.726	189.961	7.822.847
Tagihan reverse repo	-	286.147	-	-	-	-	286.147
Tagihan lainnya	-	-	-	-	-	-	-
Kredit yang diberikan dan pembiayaan syariah	-	724.598	716.337	3.197.406	12.525.044	27.714.660	44.878.045
Pendapatan bunga yang masih akan diterima	-	25.795	48.418	9.901	4.495	557.516	646.125
Beban dibayar dimuka	166.661	-	-	-	-	-	166.661
Aset tetap - neto	1.284.250	-	-	-	-	-	1.284.250
Aset pajak tangguhan - neto	-	-	-	-	-	502.238	502.238
Aset lain-lain	141.492	-	-	-	-	-	141.492
Jumlah	1.592.403	22.125.290	2.224.360	5.575.101	15.349.567	56.164.285	103.031.006
LIABILITAS							
Liabilitas segera	-	872.514	-	-	-	-	872.514
Simpanan dari nasabah	-	11.214.472	16.200.878	1.699.788	10.878.340	41.773.905	81.767.383
Simpanan dari bank lain	-	3.287.933	46.630	60	4.500	-	3.339.123
Pinjaman yang diterima	-	150.517	-	-	-	402.882	553.399
Utang pajak	47.205	-	-	-	-	-	47.205
Beban yang masih harus dibayar	-	520.840	-	-	-	-	520.840
Liabilitas lain-lain	-	550.119	-	-	-	-	550.119
Jumlah	47.205	16.596.395	16.247.508	1.699.848	10.882.840	42.176.787	87.650.583
Perbedaan jatuh tempo	1.545.198	5.528.895	(14.023.148)	3.875.253	4.466.727	13.987.498	15.380.423

56. MATURITY PROFILE

- a. The maturity of the Bank's assets and liabilities based on the remaining period (before allowance for impairment losses), is as follows:

ASSETS
Cash
Current accounts with Bank Indonesia
Current accounts with other banks
Placement with Bank Indonesia and other banks
Marketable securities
Amortized cost
fair value through other comprehensive income
Repo marketable securities
Reverse repo receivables
Other receivables
Loans and sharia financing interest income that will still be received
Prepaid expense
Fixed assets - net
Deferred tax assets - net
Other assets
Total
LIABILITIES
liability immediately
Deposits from customer
Deposits from other banks
Borrowings
Taxes payables
Accrued expense
Other liabilities
Total
Maturity Gap

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

56. PELAPORAN JATUH TEMPO (lanjutan)

- a. Pelaporan jatuh tempo aset dan liabilitas menurut kelompok jatuh temponya berdasarkan periode yang tersisa (sebelum penyisihan kerugian), adalah sebagai berikut: (lanjutan)

	Tidak ada tanggal jatuh tempo kontraktual/ No Contractual Maturity	Sampai dengan 1 bulan/ Up to 1 month	2021				Total/ Total	
			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 fair value through
Nilai wajar melalui pendapatan komprehensif lain	-	10.536.388	1.018.372	-	-	-	11.554.760	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

- b. Rasio aset produktif yang diklasifikasikan terhadap jumlah aset produktif pada tanggal 31 Desember 2022 dan 2021, masing-masing adalah sebesar 2,55% dan 3,39%.

- b. The ratio of classified earning assets to total productive assets as of December 31, 2022 and 2021 is 2.55% and 3.39% respectively.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

57. INFORMASI KEUANGAN UNIT USAHA SYARIAH

	2022	2021
ASET		
Kas	24.827	23.530
Penempatan pada Bank Indonesia dan bank lain	329.777	1.259.529
Surat berharga	852.935	834.752
Piutang:		
- Murabahah	874.944	864.013
- Qardh	36.423	24.972
Dikurangi: cadangan kerugian penurunan nilai	(55.246)	(55.969)
Piutang, neto	856.121	833.016
Pembiayaan:		
- Musyarakah	767.912	689.141
- Mudharabah	223.915	184.224
Dikurangi: cadangan kerugian penurunan nilai	(27.963)	(27.460)
Pembiayaan, neto	963.864	845.905
Aset ijarah	277	12
Aset tetap	62.414	54.367
Dikurangi: Akumulasi penyusutan	(28.450)	(24.031)
Nilai buku neto	33.964	30.336
Aset lain-lain	9.693	9.715
JUMLAH ASET	3.071.458	3.836.795
LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS		
LIABILITAS		
Giro wadiah	156.090	110.616
Tabungan wadiah	-	-
Liabilitas segera	8.889	854.640
Liabilitas lainnya	1.024.117	1.044.008
JUMLAH LIABILITAS	1.189.096	2.009.264
INVESTASI TIDAK TERIKAT		
Giro mudharabah	1.637	2.920
Tabungan mudharabah	594.597	572.158
Deposito berjangka mudharabah	1.245.458	1.238.104
JUMLAH INVESTASI TIDAK TERIKAT	1.841.692	1.813.182
Laba Tahun Lalu	-	-
Laba neto	40.670	14.349
JUMLAH LIABILITAS, INVESTASI TIDAK TERIKAT DAN EKUITAS	3.071.458	3.836.795

57. SHARIA UNIT FINANCIAL INFORMATION

ASSETS
Cash
Placements with Bank Indonesia and other banks
Marketable securities
Receivables:
Murabahah -
Qardh -
Less: Allowance for impairment losses
Receivables, net
Financing:
Musyarakah -
Mudharabah -
Less: Allowance for impairment losses
Financing, net
Ijarah assets
Fixed assets
Less: Accumulated depreciation
Net book value
Other assets
TOTAL ASSETS
LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY
LIABILITIES
Wadiah current accounts
Wadiah savings
Obligations due immediately
Other liabilities
TOTAL LIABILITIES
UNCOMMITTED INVESTMENT
Mudharabah current account
Mudharabah savings
Mudharabah time deposits
TOTAL UNCOMMITTED INVESTMENT
Retained earnings
Net income
TOTAL LIABILITIES, UNCOMMITTED INVESTMENT AND EQUITY

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**57. INFORMASI KEUANGAN UNIT USAHA SYARIAH
(lanjutan)**

**57. SHARIA UNIT FINANCIAL INFORMATION
(continued)**

	2022	2021	
LAPORAN LABA RUGI			STATEMENTS OF PROFIT OR LOSS
Pendapatan operasional			Operating income
- Margin	59.747	59.972	Margin -
- Bagi hasil	75.242	67.376	Profit sharing -
- Sewa	44	44	Rents -
- Operasional Lainnya	61.845	64.330	Other operating -
Pendapatan operasional	196.878	191.722	Operating income
Beban bagi hasil untuk investor dana investasi tidak terikat			Profit sharing expenses to non-restricted investors fund
- Bank	(578)	(1.005)	Bank -
- Bukan bank	(54.338)	(61.557)	Non bank -
Bagi hasil	(54.916)	(62.562)	Profit sharing
Beban operasional lainnya			Other operating expenses
- Bonus	(166)	(142)	Bonuses -
- Penyisihan kerugian penurunan nilai	(22.794)	(47.643)	Allowance for impairment losses -
- Beban administrasi dan umum	(40.456)	(31.296)	General and administrative expenses -
- Beban personalia	(28.022)	(27.225)	Personnel expenses -
- Beban lainnya	(11.734)	(8.915)	Others -
	(103.172)	(115.221)	
Pendapatan operasional bersih	38.790	13.939	Net operating income
Pendapatan non operasional bersih	1.880	410	Non-operating income - net
Laba tahun berjalan	40.670	14.349	Profit during the year

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

CATATAN ATAS LAPORAN KEUANGAN (lanjutan)

Tanggal 31 Desember 2022 dan 2021 dan

untuk tahun yang berakhir pada tanggal-tanggal tersebut

(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

PT BANK PEMBANGUNAN DAERAH

JAWA TIMUR Tbk

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31, 2022 dan 2021

and for the years then ended

(Expressed in millions of Rupiah, unless otherwise stated)

58. ASET/LIABILITAS KONTINJENSI

Bank saat ini mempunyai aset/liabilitas kontinjensi yang signifikan terkait dengan beberapa perkara perdata sebagai berikut:

1. Perkara perdata No.584/Pdt.G/2007/PN.Sby tanggal 21 November 2007 tentang gugatan PT Hikmah Surya Jaya kepada Bank untuk memenuhi ganti rugi materiil atas kredit dana bergulir sebesar Rp3.000. Pengadilan Negeri (PN) dan Pengadilan Tinggi (PT) memutuskan pihak Bank menang. Bank telah mengirimkan surat No.057/0865/HKM/LIT/LEGAL/SRT tanggal 3 Juli 2018 dan diterima PN tanggal 6 Juli 2018. Masih menunggu jawaban surat dari PN untuk kepastian inkraht putusan Pengadilan Tinggi tersebut.
2. Perkara Perdata Nomor 13/Pdt.G/2018/PN.BJN tanggal 18 Mei 2018 tentang gugatan Hj. Ani Rufa`ida, Drs. H Mahruhin Irfan MSi, kepada Bank dengan tuntutan kerugian material sebesar Rp.4.032, Penggugat mengajukan gugatan untuk menghentikan proses lelang. Saat ini dalam proses persidangan Kasasi di Mahkamah Agung.
3. 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.
4. 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 kasasi di Mahkamah Agung Republik Indonesia.
5. Perkara Perdata No. 61/Pdt.G/2021/PN.Kdr tanggal 8 November 2021 gugatan Perbuatan Melawan Hukum yang diajukan oleh H. Bambang Sumadji HS melawan PT Bank Jatim dengan tuntutan kerugian sebesar Rp3.967 Penggugat mengajukan gugatan untuk pembukaan blokir rekening agar dana bisa diambil. Saat ini dalam proses kasasi di Mahkamah Agung.

58. CONTINGENT ASSETS/LIABILITIES

The Bank currently has significant contingent assets/liabilities in connection with several civil cases as follows:

1. Case No.584/Pdt.G/2007/PN.Sby dated November 21, 2007 about the lawsuit of PT Hikmah Surya Jaya towards Bank, demanding compensation to the amount of Rp3,000 regarding revolving credit. The District Court's and the Apellate Court's decide that Bank won. Bank Jatim has sent a letter number 057/0865/HKM/LIT/LEGAL/SRT on July 3, 2018 and received by the District Court on July 6, 2018. Still waiting for a response from the District Court's for the inkraht decision of the High Court.
2. Case No.13 / Pdat.G / 2018 / PN.BJN dated May 18, 2018 regarding the lawsuit Hj. Ani Rufa`ida, Drs. H Mahruhin Irfan MSi, to Bank with the demands of material loss amounting to Rp.4.032, Plaintiff filed a lawsuit to dismiss the auction process. Currently in the Cassation trial process at The Supreme Court
3. 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.
4. 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.
5. Civil Case No. 61/Pdt.G/2021/PN.Kdr dated November 8, 2021, a lawsuit against the law was filed by H. Bambang Sumadji HS against PT Bank Jatim with a claim for loss of Rp. 3,967. The plaintiff filed a lawsuit for the opening of a blocked account so that the funds could be retrieved. Currently in the appeal process at the Surabaya High Court.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

58. ASET/LIABILITAS KONTINJENSI (lanjutan)

6. Perkara Perdata No. 6/Pdt.Sus-Gugatan Lain-Lain/2022/PN.Niaga.Sby 40/Pdt.Sus-PKPU/2019/PN. Niaga Sby di Pengadilan Niaga Pada Pengadilan Negeri Surabaya tanggal 17 Februari 2022 gugatan yang diajukan oleh Tim Kurator PT Citra Gading Asritama (dalam pailit) melawan PT Bank Jatim dengan tuntutan kerugian sebesar Rp27.823 Penggugat mengajukan gugatan agar jaminan yang ada di Bank Jatim diserahkan kepada Tim Kurator PT Citra Gading Asritama (dalam pailit) Saat ini dalam proses kasasi di Mahkamah Agung Republik Indonesia.
7. Perkara Perdata Nomor 34/Pdt.G/2022/PN.Bjn tanggal 29 Agustus 2022 tentang gugatan H. Mudjiono, kepada Bank dengan potensi kerugian material sebesar Rp.3.000, Penggugat sebagai Penjamin mengajukan gugatan kepada Bank agar mengembalikan objek jaminan kepada Penggugat. Saat ini dalam proses persidangan di Pengadilan Negeri Bojonegoro
8. Perkara perdata lainnya dengan nilai gugatan masing-masing dibawah Rp3.000 sejumlah Rp9.853.

Manajemen Bank berkeyakinan bahwa penyelesaian kasus-kasus tersebut tidak mengganggu kinerja Bank.

59. BANK KUSTODIAN

Jasa Kustodian Bank mendapatkan ijin operasi oleh OJK berdasarkan surat OJK nomor: S-4/PM.2/2019 tanggal 29 Januari 2019. Bank Kustodian merupakan bagian dari Divisi Dana Jasa, Sub Divisi *Priority Banking & Kustodian*, adapun jasa-jasa yang diberikan diantaranya:

1. Penyimpanan (*safekeeping*) dan administrasi atas Efek-efek maupun dokumen berharga lainnya;
2. Penyelesaian transaksi jual dan beli Efek berbentuk warkat (*script*) maupun tanpa warkat (*scriptless*);
3. Pengurusan hak-hak nasabah atas kepemilikan efek-efek yang disimpan sehingga hak tersebut efektif di rekening nasabah (*corporate action*);
4. Perwakilan (*proxy*) pada Rapat Umum Pemegang Saham dan Rapat Umum Pemegang Obligasi;
5. *Sub-Registry* untuk melayani investor yang melakukan transaksi dan investasi Efek; dan
6. Penyampaian laporan (*reporting*) dan informasi (*information*) yang terkait dengan Efek-efek dan/atau dokumen berharga milik nasabah yang disimpan dan diadministrasikan oleh Bank Jatim Kustodian.

58. CONTINGENT ASSETS/LIABILITIES (continued)

6. Civil Case No. 6/Pdt.Sus-Other Lawsuits/2022/PN.Niaga.Sby 40/Pdt.Sus-PKPU/2019/PN. Niaga Sby in the Commercial Court At the Surabaya District Court on February 17, 2022 a lawsuit filed by the Curator Team of PT Citra Gading Asritama (in bankruptcy) against PT Bank Jatim with a claim for loss of Rp27,823 The plaintiff filed a lawsuit so that the collateral in Bank Jatim was submitted to Curator Team of PT Citra Gading Asritama (in bankruptcy) Currently in the process of cassation at the Supreme Court of the Republic of Indonesia.
7. Civil Case Number 34/Pdt.G/2022/PN.Bjn dated August 29, 2022 regarding the claim of H. Mudjiono, to the Bank with a potential material loss of Rp.3,000, the Plaintiff as Guarantor filed a lawsuit to the Bank to return the object of collateral to the Plaintiff. Currently in the trial process at the Bojonegoro District Court
8. Other civil cases with a value of each lawsuit demands under Rp3,000 amount to Rp9,853.

The Bank's management believes that the above cases doesn't interfere to the Bank performances.

59. BANK CUSTODY

Bank Custodian Services has obtained an operating license based on the letter of OJK number: S-4/PM.2/2019 date Januari 29, 2019. Bank's Custodian, which is part of the Service and Fund Divisions, Priority Banking & Custodian Sub-Divisions, provides a full range of custodian services such as:

1. Safekeeping and administration of marketable securities and other valuable assets;
2. Settlement and handling services for script and scriptless trading transactions;
3. Corporate action services related to the rights of the marketable securities;
4. Proxy services for its customers' shareholder meetings and bond holder meetings;
5. Sub-Registry service provider for securities settlement and investment; and
6. Generate reports and information regarding customers' marketable securities which are kept and administered by Bank Jatim's Custodian Unit.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk**
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)

60. REKLASIFIKASI AKUN

Beberapa akun dalam laporan posisi keuangan tanggal 31 Desember 2021 dan 2020 telah direklasifikasi agar sesuai dengan penyajian laporan posisi keuangan tanggal 31 Desember 2022.

60. RECLASSIFICATION OF ACCOUNTS

Certain account in the statements of financial position as of December 31, 2021 and 2020 have been reclassified to conform with the presentation of the statements of financial position as of December 31, 2022.

	Sebelum reklasifikasi/ Before reclassification	Reklasifikasi/ Reclassification	Setelah reklasifikasi/ After reclassification	
31 Desember 2021				December 31, 2021
Laporan Posisi Keuangan				Statements of Financial Position
Liabilitas				Liabilities
Simpanan dari nasabah				Deposits from customers
- Pihak berelasi	17.722.756	(3.021)	17.719.735	Related parties -
- Pihak ketiga	65.479.111	(1.810.161)	63.668.950	Third parties -
Simpanan dari bank lain				Deposits from other banks
- Pihak berelasi	360.169	-	360.169	Related parties -
- Pihak ketiga	3.827.731	(52.183)	3.775.548	Third parties -
Dana Syirkah Temporer				Temporary Syirkah Funds
Simpanan dari nasabah				Deposits from customers
- Pihak berelasi	-	3.021	3.021	Related parties -
- Pihak ketiga	-	1.810.161	1.810.161	Third parties -
Simpanan dari bank lain				Deposits from other banks
- Pihak ketiga	-	52.183	52.183	Third parties -
	Sebelum reklasifikasi/ Before reclassification	Reklasifikasi/ Reclassification	Setelah reklasifikasi/ After reclassification	
31 Desember 2020				December 31, 2020
Laporan Posisi Keuangan				Statements of Financial Position
Liabilitas				Liabilities
Simpanan dari nasabah				Deposits from customers
- Pihak berelasi	14.375.132	(1.686)	14.373.446	Related parties -
- Pihak ketiga	54.093.148	(1.680.173)	52.412.975	Third parties -
Simpanan dari bank lain				Deposits from other banks
- Pihak berelasi	238.860	-	238.860	Related parties -
- Pihak ketiga	2.616.744	(40.610)	2.576.134	Third parties -
Dana Syirkah Temporer				Temporary Syirkah Funds
Simpanan dari nasabah				Deposits from customers
- Pihak berelasi	-	1.686	1.686	Related parties -
- Pihak ketiga	-	1.680.173	1.680.173	Third parties -
Simpanan dari bank lain				Deposits from other banks
- Pihak ketiga	-	40.610	40.610	Third parties -

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

61. STANDAR AKUNTANSI BARU

Berikut ini ikhtisar Pernyataan Standar Akuntansi Keuangan (PSAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan yang relevan untuk Bank, namun belum berlaku efektif untuk laporan keuangan yang berakhir pada tanggal 31 Desember 2022:

Berlaku efektif pada atau setelah tanggal 1 Januari 2023:

- Amendemen PSAK 1, "Penyajian Laporan Keuangan tentang Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang", penerapan lebih awal diizinkan. Amendemen menentukan persyaratan untuk mengklasifikasikan kewajiban sebagai lancar atau tidak lancar.
- Amendemen PSAK 25, "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan", penerapan lebih awal diizinkan. Amendemen PSAK 25 memberi definisi baru dari estimasi akuntansi dan penjelasannya.
- Amendemen PSAK 46, "Pajak Penghasilan" tentang Pajak Tangguhan terkait Aset dan Liabilitas yang timbul dari Transaksi Tunggal, penerapan lebih awal diizinkan. Amendemen PSAK 46 ini mengusulkan agar entitas mengakui aset maupun liabilitas pajak tangguhan pada saat pengakuan awalnya misalnya dari transaksi sewa, untuk menghilangkan perbedaan praktik di lapangan atas transaksi tersebut dan transaksi serupa.

Berlaku efektif pada atau setelah tanggal 1 Januari 2025:

- PSAK 74, "Kontrak Asuransi", yang diadopsi dari IFRS 17, penerapan dini diperkenankan untuk entitas yang juga telah menerapkan PSAK 71 dan PSAK 72.

Saat ini Bank sedang mengevaluasi dan belum menetapkan dampak dari penerapan standar tersebut serta pengaruhnya pada laporan keuangan Bank.

62. PERISTIWA SETELAH PERIODE PELAPORAN

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.

61. NEW ACCOUNTING STANDARDS

The following summarizes the Statement of Financial Accounting Standards (PSAK) which were issued by the Financial Accounting Standards Board and are relevant to the Bank, but is not yet effective for financial statements ended December 31, 2022:

Effective on or after January 1, 2023:

- Amendment to PSAK 1, "Presentation of Financial Statements concerning Classification of Liabilities as Short-Term or Long-Term", earlier application is permitted. The amendments specify the requirement to classify liabilities as current or non-current.
- Amendment to PSAK 25, "Accounting Policies, Changes in Accounting Estimates and Error", earlier application is permitted. Amendments to PSAK 25 provide a new definition of accounting estimate and an explanation.
- Amendments to PSAK 46, "Income Taxes" regarding Deferred Tax on Assets and Liabilities arising from a Single Transaction, earlier application is permitted. This amendment to PSAK 46 proposes that entities recognize deferred tax assets and liabilities upon initial recognition, for example from lease transactions, to eliminate differences in practice in the field for such transactions and similar transactions.

Effective on or after January 1, 2025:

- PSAK 74, "Insurance Contracts", adopted from IFRS 17, early application is permitted for entities that have also applied PSAK 71 and PSAK 72.

The Bank is currently evaluating the above standards and has not yet determined the impact of these standard on the financial statement of the Bank.

62. SUBSEQUENT EVENTS

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.

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
CATATAN ATAS LAPORAN KEUANGAN (lanjutan)
Tanggal 31 Desember 2022 dan 2021 dan
untuk tahun yang berakhir pada tanggal-tanggal tersebut
(Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)**

**PT BANK PEMBANGUNAN DAERAH
JAWA TIMUR Tbk
NOTES TO THE FINANCIAL STATEMENTS (continued)
As of December 31, 2022 dan 2021
and for the years then ended
(Expressed in millions of Rupiah, unless otherwise stated)**

**62. PERISTIWA SETELAH PERIODE PELAPORAN
(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.

63. PENYELESAIAN LAPORAN KEUANGAN

Laporan keuangan telah diselesaikan dan disetujui untuk diterbitkan oleh Direksi Bank pada tanggal 13 Februari 2023.

62. SUBSEQUENT EVENTS (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 economics condition to the Bank liquidity and earnings, asset realization, effect from customers, debtors, shareholders, and other stakeholders. The effects of this uncertainty on the assets and liabilities reported in the statement of financial position cannot be presently determined. Such effects will be reported in the financial statements when they are known and can be estimated.

63. COMPLETION OF THE FINANCIAL STATEMENTS

The financial statements were completed and authorized for issuance by the Bank's Directors on February 13, 2023.



Alamat Kantor Pusat

Jalan Basuki Rachmad 98 – 104, Surabaya 60271

Telp : (62-31) 5310090-5310099

Fax. : (62-31) 5310838

Email: info@bankjatim.co.id

Annual Report

2022